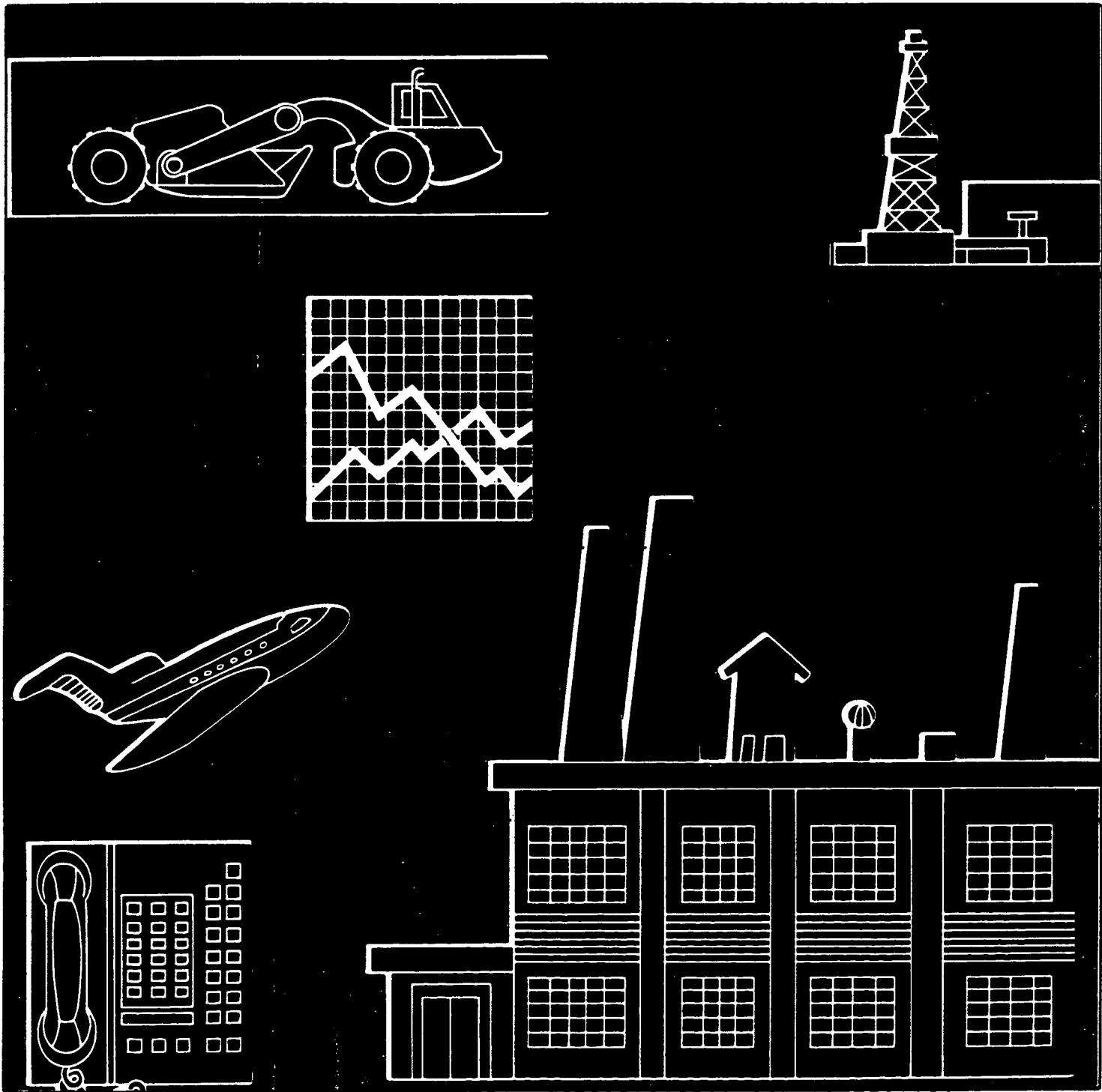


# 1976

Statistics  
of Income

# Corporation Income Tax Returns



# Other Publications And Related Information

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## Published Annual Reports

Individual Income Tax Returns, 1978  
(263 pp., \$7.00)  
Corporation Income Tax Returns, 1977  
Preliminary (31 pp., \$2.00)  
Sole Proprietorship Returns, 1977  
(247 pp., \$6.50)  
Partnership Returns, 1977  
(165 pp., \$5.50)

## Published Supplemental Reports

### International Income and Taxes:

Foreign Income and Taxes  
Reported on Individual Income Tax  
Returns, 1972-1978 (73 pp., \$4.25)

Domestic International Sales  
Corporation Returns, 1972, 1973,  
and 1974 (192 pp., \$6.00)

Foreign Tax Credit Claimed on  
Corporation Returns, 1974 (158 pp.,  
\$5.50)

U.S. Corporations and their  
Controlled Foreign Corporations,  
1974-1978

### Other:

Sales of Capital Assets Reported  
on Individual Income Tax  
Returns, 1973 (263 pp., \$7.00)  
Individual Retirement Arrangements,  
1976 (37 pp., \$2.50)  
Individual Income Tax Returns,  
Contents of Reports for 1967-1976  
(15 pp., \$1.50)  
Estate Tax Returns, 1976  
(60 pp., \$3.25)  
Private Foundations, 1974-1978  
(113 pp., \$4.75)

## Selected Reports in Preparation

Corporation Income Tax Returns, 1977  
Partnership Returns, 1978  
Sole Proprietorship Returns, 1978  
Individual Income Tax Returns, 1979

## Tape Files Available

Individual Tax Model File, 1966-1978  
State Tax Model File, 1977-1978  
Corporation Source Book, 1965-1976  
Estate Tax File, 1972, 1976  
Private Foundations File, 1974  
Employee Plans File, 1977  
Exempt Organizations File, 1975

## Ordering Information

Statistics of Income reports are for  
sale by the Superintendent of  
Documents, U.S. Government Printing  
Office, Washington, DC 20402

Public-use magnetic tape files are  
available on a reimbursable basis  
from Machine Readable Archives Divi-  
sion (NNR), National Archives and  
Records Service, Washington, DC  
20408

# 1976

**Statistics  
of Income**

# Corporation Income Tax Returns

**Publication 16 (7-81)**

**Department of the Treasury  
Internal Revenue Service**

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This report was prepared in the Statistics Division by William T. Powell, James R. Hobbs, Nathan F. Shaifer and Ray Samuelson of the Corporation Statistics Section, Statistics of Income Branch I, under the direction of Joel R. Stubbs and Daniel A. Rosa. Other major contributors included Hazel A. Beatty (table specifications), William F. Gerber and David R. Barker (law change research), Homer W. Jones and Richard Collins (sample design), Walter Craig and David F. Johnston (computer systems coordination), Bunice Willis (data verification), Ruth Wise (manuscript editing), Douglas M. Brooks, Jr. (manuscript typing), and Arthur J. Gianelos, Victor Rehula, Joe Voith, Richard B. Aaronson, Tim Wheeler, David E. Jordan, Ernest B. Hooper, and Janice C. Washington (data review).

Robert Hoffman and Marjorie Mason designed and conducted computer processing at the Data Center in Detroit. Statistical abstracting of the data was done at the Data Center and at each of the ten Internal Revenue Service Centers.

This report contains data by industry on assets, liabilities, receipts, deductions, net income, income subject to tax, credits, distributions to stockholders and additional tax for tax preferences. Data are also classified by size of total assets and by size of business receipts. Other classifications include "returns with net income" and "Small Business Corporations taxed through stockholders."

Unpublished Statistics of Income tabulations from corporation income tax returns for 1976 are available upon request. Information about the tables, including when they can be purchased, may be obtained by writing to the Director, Statistics Division, Internal Revenue Service, Washington, DC 20224.

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

June 17, 1981

The Honorable Donald T. Regan  
Secretary of the Treasury  
Washington, DC 20220

Dear Mr. Secretary:

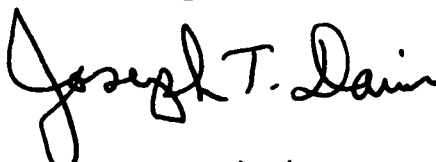
I am transmitting the complete report, Statistics of Income—1976, Corporation Income Tax Returns. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws.

The report presents information on receipts, deductions, net income, income tax liability, tax credits, and distributions to stockholders. Statistics are also provided on the corporate tax base and on the computation of income tax and additional tax for tax preferences ("minimum tax").

Classifications include industry, size of total assets and size of receipts. Separate statistics are included for returns with net income, inventories, investment credit items, members of controlled groups, and Small Business Corporations electing to be taxed through their stockholders.

With kind regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "Joseph T. Dain". The signature is fluid and cursive, with the first name "Joseph" being more prominent and the last name "Dain" following in a similar style.

Acting Commissioner

# Contents

Guide to Tables and Figures, V

## Section 1

Introduction,

Overall Corporate Summary for 1976, 1

Activities Included, 2

Return Coverage, 2

Time Period Employed, 2

## Section 2

Changes in Law, 5

Additional Tax for Tax Preferences, 5

U.S. Possessions Tax Credit, 5

Investment Credit, 7

Work Incentive (WIN) Credit, 8

International Boycotts, 8

Recapture of Depreciation on Residential Real  
Property and Intangible Drilling Development  
Costs, 9

Domestic International Sales Corporations, 10

## Section 3

Description of the Sample and Limitations of  
the Data, 13

Sample Selection, 13

Method of Estimation, 13

Sampling Variability, 13

Sample Management, 15

Rounding and Money Amounts, 15

Consolidated Returns, 15

Industrial Classification, 17

Other Data Limitations, 17

## Section 4

Basic Tables, 19

## Section 5

Explanation of Terms, 97

## Section 6

Facsimiles of Returns Used, 131

# Guide to Tables and Figures

## INDUSTRY MEASUREMENTS

Minor industry: receipts, net income, total assets, and related items (table 1), 20

Major industry: balance sheets and income statements (tables 2, 3), 26, 34

Major industry and size of total assets: selected balance sheet, income statement, tax items, and distributions to stockholders (table 6), 46

Industrial division and size of business receipts: selected balance sheet and income statement items (table 7), 80

Selected industrial divisions and size of total assets: selected items from Small Business Corporation returns (table 8), 85

Selected industrial divisions: U.S. possessions tax credit (figure D), 6

SIZE OF BUSINESS RECEIPTS (table 7), 80

## SIZE OF TOTAL ASSETS

Number of returns, total receipts, net income (less deficit), and total income tax (figure A), 1

Balance sheets and income statements (tables 4, 5), 42, 44

Selected balance sheet, income statement, and tax items, and distributions to stockholders (table 6), 46

Small Business Corporation returns (table 8), 85

Consolidated and nonconsolidated returns (table 15), 96

## RETURNS WITH NET INCOME

Major industry: balance sheets and income statements (table 3), 34

Size of total assets: balance sheets and income statements (table 5), 44

ACCOUNTING PERIOD (figure B, C), 3, 4

## BALANCE SHEETS AND INCOME STATEMENTS

By major industry (table 2), 26

By major industry: returns with net income (table 3), 34

By size of total assets (table 4), 42

By size of total assets: returns with net income (table 5), 44

Domestic International Sales Corporation returns (figure F), 11

Small Business Corporation returns (table 8), 85

Tax items and distributions to stockholders, major by industry and size of total assets (table 6), 46

Tax items and distribution to stockholders, by industrial division and size of business receipts (table 7), 80

## DISTRIBUTIONS TO STOCKHOLDERS

By industry (tables 1, 2, 3, 7, 8), 20, 26, 34, 80, 85

By size of total assets (tables 4, 5, 6, 8), 42, 44, 46, 85

Domestic International Sales Corporation returns (figure F), 11

## SELECTED SUBJECTS

Book net income or deficit (table 9), 90

Consolidated and nonconsolidated returns (table 15), 96

Domestic International Sales Corporation returns (figure F), 11

Inventories (table 10), 91

Investment credit items (table 13), 94

Members of controlled groups (table 14), 95

Provision for Federal income tax (table 9), 90

Small Business Corporation returns (table 8), 85

Tax computation items (table 12), 93

Tax preference items (table 11), 92

U.S. possessions tax credit (figure D), 6

Work Incentive (WIN) program items (figure E), 9

TYPE OF RETURN AND RELATIONSHIP (table 14), 95

## SAMPLING SELECTION RATES AND VARIABILITY

Selection Classes (figure G), 14

Sampling Rates, by sample class number (figure H), 15

Coefficient of variation (figure I), 16

# Section 1

# Introduction

This report presents statistical estimates derived from a stratified sample of over 100,000 corporation returns selected from the more than two million filed for the 1976 Income Year. Organizationally, the report is divided into 6 sections. The first section provides statistics summarizing overall 1976 corporate activity. Changes in law between 1975 and 1976 are discussed next. In section 3, there is a detailed description of the sample of income tax returns upon which the statistics for 1976 were based, as well as a discussion of the method of estimation used, the sampling variability of the data, and other limitations.

Section 4 presents the basic tables that contain detailed statistics on 1976 income tax liability, tax credits, net income, and other income and financial data. Section 5 contains detailed explanations of the terms used in the report. In most instances, the

explanations include definitions and limitations of terms used as well as adjustments made in preparing the statistics.

Section 6 includes facsimiles of Forms 1120, 1120-DISC, 1120F, 1120L, 1120S, and 3468. The instructions used for completing each form are also provided there.

## OVERALL CORPORATE SUMMARY FOR 1976

Figure A presents a two-year comparison of the total number of returns, total assets, total receipts, net income (less deficit) and total income tax. This figure shows only a modest increase in the total number of returns; the increase was about 3 percent (or about 58,600 returns) from 1975 to 1976;

Figure A.—Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Size of Total Assets, Income Years 1975 and 1976 Compared

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Year and size of total assets          | Number of returns | Total assets  | Total receipts | Net income (less deficit) | Total income tax |
|--|-------------------|---------------|----------------|---------------------------|------------------|
|  | (1)               | (2)           | (3)            | (4)                       | (5)              |
| <b>1975</b>                            |                   |               |                |                           |                  |
| Total.....                             | 2,023,647         | 4,286,556,273 | 3,198,627,860  | 142,636,826               | 66,144,308       |
| Zero assets.....                       | 71,725            | -             | 18,898,147     | 139,208                   | 298,011          |
| \$1 under \$100,000.....               | 1,106,004         | 37,576,474    | 128,814,973    | 416,745                   | 439,063          |
| \$100,000 under \$250,000.....         | 378,642           | 60,544,506    | 133,800,421    | 2,803,425                 | 855,442          |
| \$250,000 under \$500,000.....         | 203,392           | 71,619,530    | 152,767,256    | 3,681,184                 | 1,053,529        |
| \$500,000 under \$1,000,000.....       | 122,584           | 85,218,025    | 181,872,355    | 4,640,582                 | 1,613,896        |
| \$1,000,000 under \$5,000,000.....     | 101,333           | 203,930,860   | 384,585,139    | 11,291,136                | 5,115,256        |
| \$5,000,000 under \$10,000,000.....    | 15,091            | 106,083,345   | 131,530,117    | 4,656,170                 | 2,340,294        |
| \$10,000,000 under \$25,000,000.....   | 12,215            | 193,310,296   | 154,979,643    | 6,331,296                 | 3,040,998        |
| \$25,000,000 under \$50,000,000.....   | 5,567             | 194,656,918   | 122,341,047    | 4,942,678                 | 2,400,917        |
| \$50,000,000 under \$100,000,000.....  | 3,068             | 213,007,645   | 131,390,532    | 5,195,008                 | 2,439,364        |
| \$100,000,000 under \$250,000,000..... | 2,144             | 330,634,632   | 206,655,630    | 8,519,164                 | 4,154,480        |
| \$250,000,000 or more.....             | 1,882             | 2,789,974,042 | 1,450,992,600  | 90,020,230                | 42,393,058       |
| <b>1976</b>                            |                   |               |                |                           |                  |
| Total.....                             | 2,082,200         | 4,720,938,670 | 3,635,471,982  | 185,419,106               | 83,291,815       |
| Zero assets.....                       | 64,874            | -             | 28,309,019     | 307,728                   | 467,213          |
| \$1 under \$100,000.....               | 1,130,622         | 38,269,689    | 139,154,452    | 631,789                   | 472,027          |
| \$100,000 under \$250,000.....         | 389,152           | 62,105,566    | 141,317,044    | 3,076,156                 | 821,011          |
| \$250,000 under \$500,000.....         | 214,282           | 75,744,315    | 165,790,651    | 3,806,601                 | 1,077,618        |
| \$500,000 under \$1,000,000.....       | 130,200           | 90,791,259    | 200,841,586    | 4,943,991                 | 1,676,844        |
| \$1,000,000 under \$5,000,000.....     | 110,601           | 221,900,131   | 443,188,644    | 12,829,002                | 5,596,475        |
| \$5,000,000 under \$10,000,000.....    | 15,736            | 110,374,231   | 152,363,022    | 5,680,049                 | 2,677,266        |
| \$10,000,000 under \$25,000,000.....   | 12,909            | 204,696,738   | 176,412,017    | 7,618,748                 | 3,491,631        |
| \$25,000,000 under \$50,000,000.....   | 6,011             | 210,554,681   | 136,605,782    | 6,758,950                 | 3,030,926        |
| \$50,000,000 under \$100,000,000.....  | 3,421             | 237,649,803   | 145,638,772    | 6,566,451                 | 2,927,141        |
| \$100,000,000 under \$250,000,000..... | 2,342             | 363,807,535   | 226,970,092    | 11,444,353                | 5,295,626        |
| \$250,000,000 or more.....             | 2,050             | 3,105,044,722 | 1,678,880,901  | 121,755,288               | 55,758,037       |

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation.

assets increased by about 10 percent for 1976. Total receipts and net income (less deficit) experienced even larger increases, about 14 and 30 percent, respectively.

For the approximately 2,050 largest returns (returns with total assets of \$250 million or more), the total income tax was about 32 percent higher than in 1975. These returns, which represent less than one percent of the total number of returns, continued to account for around two-thirds (about 67 percent) of the total income tax for all returns. Nevertheless, total income tax for these corporations represented only about 3 percent of their total receipts. As a percent of net income (less deficit), total income tax for these returns was less than 46 percent; this was down from more than 47 percent in 1975. This decrease could be attributable, at least partially, to the decreased income tax rate introduced in the Tax Reduction Act of 1975.

#### ACTIVITIES INCLUDED

The estimates in this report encompass corporate business activities in the United States as reported on returns of "domestic" and foreign corporations, as well as certain foreign activities. The term "domestic" corporations refers to companies incorporated in the United States, but does not necessarily imply that all their activities are domestic. For instance, a business may have been incorporated in the United States, have its principal office here, and yet conducted all of its business abroad through foreign branches; hence, dividends remitted from foreign subsidiaries of domestic corporations and, to a limited extent, undistributed earnings of foreign subsidiaries are included.

For foreign corporations (defined as those organized abroad) engaged in trade or business in the United States, only income that was considered "effectively connected" with the conduct of a trade or business in the United States is included in the statistics. Other foreign corporations, organized abroad and not engaged in trade or business in the United States, were liable for tax only on investment income from U.S. sources. Such income is excluded from the report.

The effect of foreign activity on the statistics varies by industry and assets size. Some industries, like oil, may have higher incidences of foreign activity than others and foreign income is reflected in their statistics to a greater extent. Also, foreign activity tends to increase with the size of the corporation.

#### RETURN COVERAGE

Section 6012 of the Internal Revenue Code required that all corporations in existence at any time during the income year file returns, regardless of whether they had income or not. This applied to active and inactive domestic corporations unless they were expressly exempt from filing, as well as to active foreign corporations with insufficient taxes withheld at the source to satisfy their U. S. tax liability on income earned in the United States.

In addition to legally defined corporations, the Internal Revenue Code recognized many types of businesses as corporations, including joint stock companies; and unincorporated associations, such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks. Because these organizations possess characteristics typical of the corporate form, such as continuity of life, centralization of management apart from ownership, limited liability of owners, and transferability of shares of capital ownership, they were required to file corporation income tax returns.

Included in the statistics are financial data estimated from the following number of active corporation income tax returns:

|   |           |
|---|-----------|
| Form 1120 (U.S. corporations).....                              | 1,678,500 |
| Form 1120S (U.S. Small Business Corporations).....              | 391,700   |
| Form 1120L (U.S. Life Insurance Companies).....                 | 1,700     |
| Form 1120M (U.S. Mutual Insurance Companies).....               | 1,200     |
| Form 1120F (U.S. Returns of Foreign Corporations).....          | 2,200     |
| Form 1120-DISC (Domestic International Sales Corporations)..... | 6,900     |

No data were tabulated from the inactive corporation returns filed. Besides returns filed by inactive corporations, the statistics specifically exclude foreign corporations with no income "effectively connected" with a U.S. trade or business and returns of farmers' cooperatives exempt from income tax under Internal Revenue Code section 521 and nonprofit corporations (educational, charitable, and similar organizations) exempt from income tax under section 501.

#### TIME PERIOD EMPLOYED

The estimates in this report are based on data from both returns with accounting periods that coincided with Calendar Year 1976 and returns with accounting periods that were for noncalendar years ended during the span of months July 1976 through June 1977. At the center of this 12-month span was the calendar year, i.e., the year ended December 1976. This span, in effect, defines the income year in such a way that the noncalendar year accounting periods are centered at the calendar year ended December.

The 12 accounting periods covered by the 1976 report are presented in figure B. Code section 441 specified that, in general, the accounting period close at the end of the month. Thus, figure B shows a span of 23 months between the first-included accounting period, which began on August 1, 1975, and closed July 31, 1976, and the start of the last included accounting period, which began on July 1, 1976, and closed on June 30, 1977. This report, therefore, shows income received or expenses incurred during any or all of the months in the 23-month span. For balance sheet items, such as total assets and inventories, the report shows a corporation's position only at a given point in time, namely at the end of its accounting period.

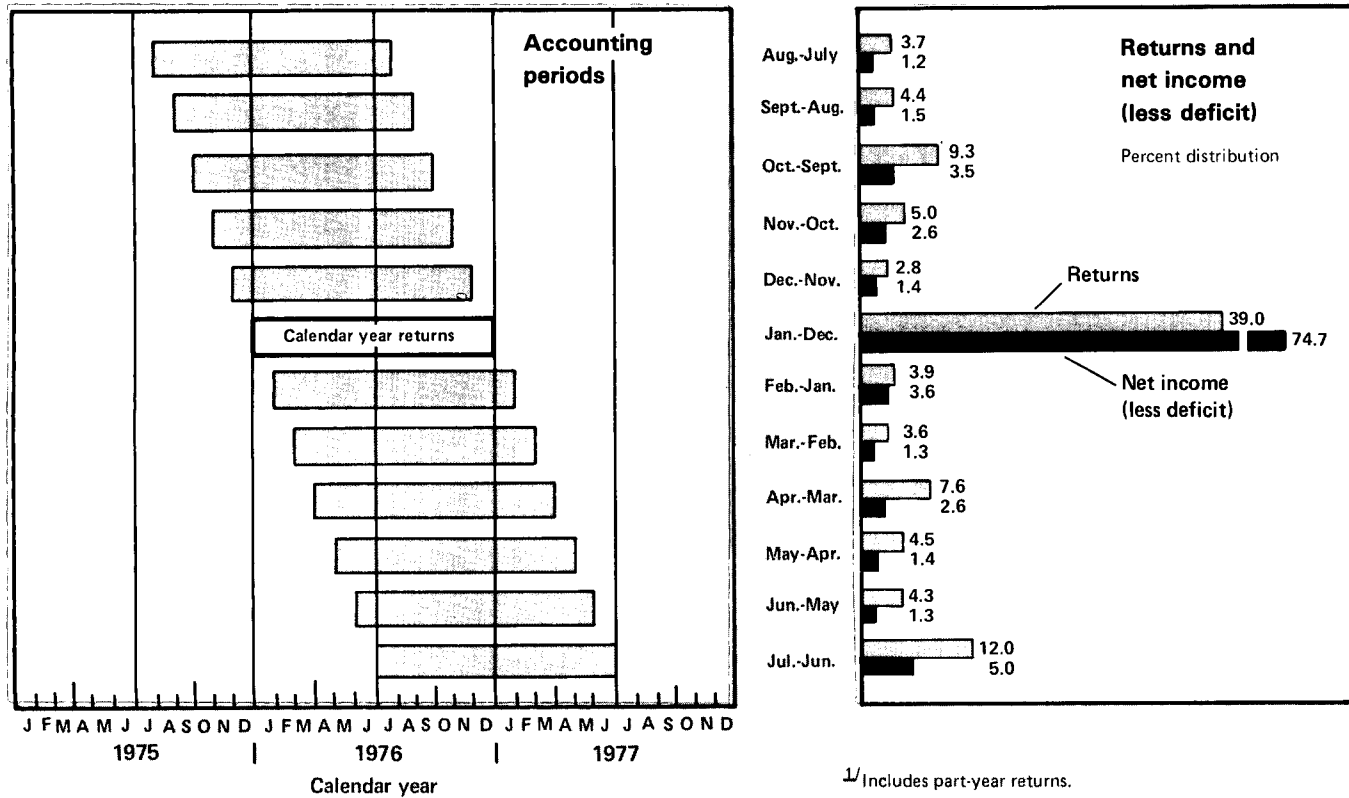
Corporations were required by section 441 to file returns for the accounting period customarily used in keeping their books. Figure C shows the net income (less deficit), total assets, total receipts, and total income tax reported on returns for each of the 12 accounting periods. Less than one-half of the returns were filed for the calendar year, but these included returns of most of the larger corporations. Over 80.3 percent of total assets, 74.7 percent of net income (less deficit), and 60.5 percent of total receipts were reported on calendar year returns.

Basically, corporation returns were due to be filed within two-and-one-half months after the close of the corporate accounting period. However, in accordance with Code section 6018, most corporations could receive filing extensions for as long as 6 months. Consequently, some of the returns for the accounting periods covered by this report were not filed until 1978.

The total number of active corporations included, in addition to returns with accounting periods that spanned 12 months, returns with accounting periods of shorter duration. Such returns are referred to as

Figure B

**Number of returns and net income, by accounting periods<sup>1/</sup>**



## Corporation Returns/1976 • Introduction

Figure C.—Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Accounting Periods for Income Year 1976

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Accounting period ended <sup>1</sup> | Number of<br>returns | Total<br>assets | Total<br>receipts | Net income<br>(less deficit) | Total<br>income tax |
|--------------------------------------|----------------------|-----------------|-------------------|------------------------------|---------------------|
|                                      | (1)                  | (2)             | (3)               | (4)                          | (5)                 |
| Total.....                           | 2,082,200            | 4,720,938,670   | 3,635,471,982     | 185,419,106                  | 83,291,815          |
| December 1976.....                   | 812,272              | 3,790,988,719   | 2,197,850,903     | 138,449,796                  | 63,344,575          |
| Noncalendar year, total.....         | 1,269,928            | 929,949,951     | 1,437,621,079     | 46,969,310                   | 19,947,240          |
| July 1976.....                       | 77,048               | 57,444,853      | 84,809,177        | 2,260,839                    | 976,387             |
| August 1976.....                     | 90,959               | 50,197,816      | 88,130,173        | 2,762,339                    | 1,275,208           |
| September 1976.....                  | 193,002              | 160,645,679     | 199,524,919       | 6,397,098                    | 2,949,797           |
| October 1976.....                    | 104,617              | 100,699,671     | 122,399,641       | 4,796,350                    | 1,975,331           |
| November 1976.....                   | 59,214               | 49,504,173      | 61,320,554        | 2,672,508                    | 1,127,547           |
| January 1977.....                    | 80,224               | 94,961,708      | 166,965,281       | 6,727,664                    | 2,265,462           |
| February 1977.....                   | 74,315               | 38,228,847      | 77,185,598        | 2,366,056                    | 970,292             |
| March 1977.....                      | 157,554              | 97,156,303      | 188,374,893       | 4,751,243                    | 2,160,536           |
| April 1977.....                      | 93,446               | 50,962,987      | 86,307,646        | 2,665,818                    | 1,100,028           |
| May 1977.....                        | 88,847               | 47,886,604      | 92,588,845        | 2,328,773                    | 1,019,832           |
| June 1977.....                       | 250,702              | 182,261,310     | 270,014,352       | 9,240,622                    | 4,126,820           |

<sup>1</sup>Includes part-year returns.

part-year returns and were filed, for the most part, by continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations.

The statistics in this report reflect, to varying degrees, changes in law that became effective during the accounting periods covered. Depending on the accounting period used and the effective date of the change in law, the changes may have been fully applicable for some corporations, only partially applicable for others, and not applicable at all for still others.

The information that follows is a comprehensive description of the major law changes that became effective, for the first time, during the 1976 Income Year. These law changes are those that affected substantially the comparability of the statistics in this report with those in 1975 and prior years. Moreover, the changes resulted from either the Tax Reduction Act of 1975 or the Tax Reform Act of 1976. Where possible, the magnitude of the new provisions has been measured and discussed.

### Additional Tax for Tax Preferences

The Tax Reform Act of 1976 revised the additional tax for tax preferences, or "minimum tax," to raise the effective tax rate on tax preference items. This was accomplished by changes in the tax rate and structure. In addition, the list of tax preference items was expanded. Except where noted, these changes were effective for taxable years beginning after December 31, 1975.

The tax rate was increased from 10 percent to 15 percent, and the exemption allowed against total items of tax preference was decreased from \$30,000 to \$10,000. Also the exemption was no longer in addition to the "regular tax" deduction. Instead, the amount excluded from the minimum tax was either the larger of the regular tax deduction or \$10,000.

Previously, corporations with a regular tax deduction that exceeded total items of tax preference had been able to carry the excess forward as a deduction for 7 years. This tax carryover deduction was eliminated (except as described below for timber income) effective for taxable years beginning after June 31, 1976.

These increases in the tax were moderated for taxable years that began in 1976. For that year, a corporation paid an average of the new higher tax and the old lower tax. Additionally, for commercial banks and all other financial institutions that could take a special deduction for the excess over the bad debt reserve deduction that was allowable on the basis of actual experience, the effective date of the new law was taxable years beginning after December 31, 1977.

The expansion of the list of tax preference items affected only Personal Holding Companies and Small Business Corporations electing to be taxed through their stockholders. One new tax preference item was added, and another item was revised to be more inclusive.

The new item was "intangible drilling costs." This was the amount by which intangible drilling and development costs connected with oil and gas wells (other than costs incurred in drilling a nonproductive well) allowable as a deduction exceeded the amount that would have been allowable if such costs had been capitalized and recovered through the straight-line method of depreciation.

The revised item was formerly "accelerated depreciation on personal property subject to a net lease" (for years beginning before 1972). Property was subject to a net lease when the lessor's expense deductions were less than 15 percent of gross rents, or when the lessor was guaranteed against loss of income. This tax preference item was broadened to include all leased personal property where an accelerated depreciation deduction exceeded the deduction that would have been allowable had the straight line method been used.

There were also special rules in effect for timber income, including both gains from the cutting of timber and the long-term gains from the sale of timber. These rules, which virtually eliminated timber income from the increased tax, provided that the items of tax preference for timber gains be reduced by one-third and then further reduced by \$20,000. Then the regular tax deduction was reduced by the lesser of one-third, or the preference reduction described above. These adjustments compensated for the general minimum tax rate increase by scaling down the entire minimum tax base, as it related to timber, by one-third, and then subjecting that lower base to the new 15 percent tax rate (one-third more than the old 10 percent rate). The reduction in timber preferences by the additional \$20,000 effectively increased the exemption to \$30,000.

Also, the regular tax deduction carryover remained in effect for that portion of the corporation's prior-year income tax attributable to timber income. If for any taxable year the taxes imposed on a corporation that were attributable to income from timber exceeded the items of tax preference for that year, then the amount of the excess could be used to offset tax preferences over the next 7 years.

### U.S. Possessions Tax Credit

In order to provide a tax incentive for domestic corporations to invest in Puerto Rico and U.S. possessions (including American Samoa, Guam, Johnston Island, Midway Islands, the Panama Canal Zone, and Wake Island, but not the Virgin Islands), the Tax Reform Act of 1976 added, under Code section 936, a new elective tax credit - the U.S. possessions tax credit. Under the new provisions in Code section 936, which superseded those in Code section 931, the U.S. possessions tax credit was equal to the U.S. tax on domestic corporations' income from sources within a possession in which the corporations actively conducted a trade or business. Formerly, under Code section 931, qualified possessions income was exempted from U.S. income tax.

The amount of the credit was equal to that portion of the U.S. tax of the domestic corporation attributable to taxable income from sources outside the United States from the active conduct of a trade or business within a U.S. possession and from qualified possession source investment income. In determining the amount

of tax attributable to the income from the active conduct of a possession trade or business or from qualified possessions investment income, losses from other sources were taken into account.

Qualified possessions source investment income included only income from sources within a possession in which the possessions corporation actively conducted a trade or business (whether or not such business produced taxable income). The corporation had to establish that the funds invested were obtained from the active conduct of a trade or business within that same possession and were actually invested in assets in that possession. Funds placed with an intermediary (such as a bank located in the possession) were to be treated as invested in that possession only if it could be shown that the intermediary did not re-invest the funds outside the possession.

Effective for taxable years beginning after December 31, 1975, the U.S. possessions tax credit provisions called for possessions corporations to be taxed on worldwide income just like any other U.S. corporation; however the possessions corporations could receive a full tax credit attributable to qualified possessions source income even if no tax was paid to the Governments of the possessions. Thus, the effect of the U.S. possessions tax credit provisions was: (a) to exempt qualified possessions source income from U.S. income tax, (b) to allow a dividends received deduction for dividends repatriated by the possessions corporations to their U.S. parent corporations, and (c) to tax currently foreign source income (which was not taxable under prior law), subject to the foreign tax credit with allowances for foreign taxes paid with respect to such income. Foreign source income continued to be exempt from U.S. taxes for investment income that was earned before October 31, 1976, whether or not the investment income was initially derived from the possessions' business.

Figure D presents the first statistics on the U.S. possessions tax credit. The figure shows that 384 corporations claimed approximately \$703.4 million in U.S. possessions tax credit. More than 94 percent or about \$662.9 million of the total credit was claimed by 282 manufacturing corporations (or more than 73 percent of the total number of corporations that claimed the credit). Seven corporations in the trans-

portation and public utilities industrial division claimed more credit (about \$18.2 million) than 62 corporations in the wholesale and retail industrial division (about \$17.5 million). When combined, these three industrial divisions accounted for more than 91 percent (or 351) of the corporations that claimed the credit. These 351 corporations claimed about 99.3 percent (or about \$698.6 million) of the total credit.

The approximately \$703.4 million in U.S. possessions tax credit was almost as great as the total income tax (about \$718.8 million) for the 384 corporations that claimed the credit. Similarly, the amount of the income tax for the 351 corporations in the manufacturing, transportation and public utilities, and wholesale and retail trade industrial divisions accounted for about 99.3 percent (or about \$713.6 million) of the total income tax. Thus, the approximately \$703.4 million in U.S. possessions tax credit was to be applied against only \$718.8 million in income tax.

Before the U.S. possessions tax credit could be claimed, a domestic corporation had to make an election and satisfy two tests: (1) receive for the 3-year period immediately preceding the close of the taxable year at least 80 percent of its gross income from sources within a U.S. possession, and (2) receive at least 50 percent of its gross income from the active trade or business within a U.S. possession. Once in effect, the election was to remain in force for 9 years after the first year for which the election was effective and for which the domestic corporation met the 80 percent source of income and 50 percent active trade or business income requirements. The election could be revoked during this 10-year period only with the consent of the Secretary of the Treasury, based on cases of substantial hardship where no tax avoidance could result from the revocation. After revocation during the 10-year period, a domestic corporation could make the election for the 10-year period again, provided the two preconditions were met. After the 10-year period, no consent was needed to revoke the election.

Additionally, possessions corporations were prohibited by the election from filing or joining in the filing of consolidated returns, as they had been able to do under the prior law, in years in which they in-

Figure D.—Returns With U.S. Possessions Tax Credit: Number of Returns, Receipts, Net Income, Total Income Tax, and U.S. Possessions and Foreign Tax Credits, by Selected Industrial Divisions, Income Year 1976

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Selected industrial divisions               | Number of returns | Total receipts | Business receipts | Net income | Total income tax | U.S. possessions tax credit | Foreign tax credit |
|---|-------------------|----------------|-------------------|------------|------------------|-----------------------------|--------------------|
|   | (1)               | (2)            | (3)               | (4)        | (5)              | (6)                         | (7)                |
| All industrial divisions <sup>1</sup> ..... | 384               | 5,000,178      | 4,680,657         | 1,499,249  | 718,798          | 703,429                     | 68                 |
| Construction.....                           | 4                 | 17,719         | 17,550            | 2,418      | 1,156            | 1,143                       | -                  |
| Manufacturing.....                          | 282               | 4,142,565      | 3,899,914         | 1,408,721  | 676,134          | 662,947                     | 47                 |
| Transportation and public utilities.....    | 7                 | 142,956        | 135,432           | 37,937     | 18,176           | 18,176                      | -                  |
| Wholesale and retail trade.....             | 62                | 592,003        | 583,046           | 40,659     | 19,277           | 17,500                      | 11                 |
| Finance, insurance, and real estate.....    | 12                | 67,374         | 9,114             | 3,725      | 1,338            | 1,132                       | -                  |
| Services.....                               | 13                | 30,822         | 29,191            | 4,357      | 2,056            | 1,920                       | 10                 |

<sup>1</sup>Includes "Agriculture, forestry, and fishing" and "Nature of business not allocable" which are not shown separately.

curred losses. The new law permitted possessions corporations to be included in consolidated returns only in the case where their losses resulted from initial start-up expenses incurred at the time their possessions operations were just beginning. Even these losses would be subject to recapture if the possessions corporations derived foreign source income in later years.

The U.S. possessions tax credit could not be taken by corporations (or their stockholders) that were either Domestic International Sales Corporations (DISC's), or former DISC's. The credit could be taken however, by those stockholders who no longer held stock in the DISC's or former DISC's. This provision applied to any taxable year in which the corporations had DISC (or former DISC) status.

While the U.S. possessions tax credit could be taken against corporate income taxes, it could not be taken against:

- (1) additional tax for tax preferences (minimum tax),
- (2) tax on accumulated earnings,
- (3) taxes relating to recoveries of foreign expropriation losses, previously deducted as part of a net operating loss deduction, or
- (4) Personal Holding Company tax.

None of these taxes could be taken into account in the determination of the amount of U.S. tax paid by the corporation which was attributable to the possessions' active trade or business and investment income.

Since the U.S. possessions tax credit was separate from the foreign tax credit, the income (and associated taxes) used in the computation of the possessions tax credit could not be used for foreign tax credit purposes. Similarly, possessions income included in the foreign tax credit computation could not be used for possessions tax credit purposes.

The 1976 Act also provided a dividends-received deduction for dividends from corporations eligible for the U.S. possessions tax credit. Corporations which would otherwise qualify for the 100-percent dividends-received deduction, if an election were not in effect, could still receive that deduction for dividends from another possessions corporation. Likewise, corporations eligible for the 85-percent dividends-received deduction were to receive the deduction with respect to dividends from possessions corporations. The amount of the dividend income received from a possessions corporation was treated as domestic or foreign source income according to the existing Code section 861 rules. This same amount was also used to compute the Code section 904 limitation on the Code section 901 foreign tax credit. The new rules on the dividends-received deduction applied to dividends paid in taxable years of possessions corporations beginning after December 31, 1975, regardless of when the income, out of which the dividends were distributed, was earned.

#### Investment Credit

The Tax Reform Act of 1976 included several changes in the investment credit provisions that became effective during the accounting periods covered in this report. Unless stated otherwise, the changes apply to corporations with taxable years beginning after December 31, 1976. One of these changes permitted, under certain conditions, an additional credit of up to 0.5 percent for corporations that qualified for the 1 percent credit for participation in an "employee stock ownership plan" (ESOP) permitted by the Tax Reduction Act of 1975 and also referred to as a Tax Reduction Act Stock Ownership Plan (TRASOP). To receive the additional credit, the corporation had to transfer corporate securities to the plan that had an aggregate value of not more than 0.5 percent of the "qualified investment" (described in the Explanation of Terms in section 5 of

this report) made for taxable years that ended before January 1, 1981. (Transfer of cash was permitted if designated for the purchase of such securities.) No credit could be taken unless the amount was matched by an employee contribution. The additional 0.5 percent credit could not be taken by regulated public utilities that were required to pass through benefits of the investment credit to consumers in the form of lower rates, instead of using the credit to offset the cost of capital investment. In cases where an investment credit was recaptured, the 1976 Act permitted, under certain conditions, the employer to withdraw from the ESOP an amount equal to the amount transferred to the ESOP. The employer could either reduce the amount to be contributed to the ESOP in the current year by the recaptured amount, or take a tax deduction subject to the limitation in Code section 404 (relating to the deduction for contributions to an employee's trust or plan). Prior to the 1976 Act, if an amount of investment credit was recaptured, the amounts transferred to the ESOP had to remain in the plan or in participant accounts and continue to be allocated in accordance with the original plan agreement.

Another change established an alternative limitation on the amount of investment credit that could be claimed in a given year (in lieu of the standard limitation of \$25,000 plus 50 percent of the income tax liability after credits (i.e., foreign tax and U.S. possessions tax credits) that was in excess of the first \$25,000) for railroad or airline property that comprised at least 25 percent of the corporation's aggregate "qualified investment." Railroad or airline property, in this instance, was defined, respectively, as property eligible for investment credit that the corporation used directly in connection with the trade or business of operating a railroad or an airline (that furnished or sold transportation as a common carrier subject to the jurisdiction of the Civil Aeronautics Board or the Federal Aviation Administration). The definition of such railroad property also included railroad switching or terminal companies.

Determination of the alternative limitation for both railroad property and airline property was accomplished in the same manner as the liberalized limitation for public utility property. The limitation was increased from the standard 50 percent to 100 percent of qualified investment in excess of \$25,000 for taxable years ending in 1977 or 1978, if the corporation's aggregate "qualified investment" comprised at least 75 percent of railroad (or airline) property. After 1978, the increased limitation was to be reduced by 10 percent each year until 1983 when it was to be 50 percent again.

In cases where the corporation's aggregate qualified investment comprised less than 75 percent but not less than 25 percent of the aggregate qualified investment in railroad (or airline) property, the alternative limitation was increased, but not to 100 percent. The increased alternative limitation was the product of the applicable tentative percentage (10 through 50 percent) times the ratio of qualified investment in railroad (or airline) property to aggregate qualified investment. The alternative limitation was not available to corporations whose aggregate qualified investment comprised less than 25 percent of railroad (or airline) property.

A third change was effective for qualified vessels, i.e., ships, including American-based commercial fishing boats that weighed from 2 to 5 tons (net), placed in service in taxable years beginning after December 31, 1975. This change made at least one-half of the regular investment credit available to corporations that used qualified withdrawals (monies withdrawn from tax deferred capital construction funds established under the Merchant Marine Act of 1936 as amended in 1970) to purchase, construct, or recon-

struct qualified vessels. This provision also applied to qualified withdrawals that were used to liquidate indebtedness incurred in connection with such purchases, constructions, or reconstructions. Under prior law, no investment credit could be taken for such transactions.

While a corporation could only claim one-half the regular credit, i.e., 5 percent, for such transactions, this restriction did not deny a larger credit if the property qualified under other investment credit provisions. Thus, corporations that did not use qualified withdrawals to purchase, construct, or reconstruct qualified vessels could claim the full investment credit. However, if borrowed funds were used, any amount that was repaid with qualified withdrawals had to be recaptured as tax from recomputing prior-year investment credit. Moreover, the amount of indebtedness being liquidated with the qualified withdrawals and subject to recapture could not exceed one-half of the full investment credit taken on the purchase price of the qualified vessel.

Finally, the order in which unused investment credits were to be used was changed by the 1976 Act. Previously, the amount of investment credit earned in a taxable year would first be applied against tax liability for that year. Carryovers and carrybacks of unused credits from other years would then be used to the extent they did not exceed the limitation based on tax. Under the 1976 Act, for taxable years beginning after December 31, 1975, a first-in-first-out rule was provided for determining the order in which the investment credits were to be used. Thus, the investment credit carried over to the taxable year was applied first, the investment credit earned for the taxable year was applied second (instead of first), and the carrybacks carried to the taxable year were applied last.

#### Work Incentive (WIN) Credit

The work incentive (WIN) tax credit provisions, which were designed to promote the hiring and training of welfare recipients, were first authorized by the Revenue Act of 1971 and were subsequently amended by the Tax Reduction Act of 1975 to include an additional temporary credit, the Federal welfare recipients tax credit. Although the WIN credit provisions permitted employers to take a credit equal to 20 percent of WIN program expenses, i.e., salaries and wages paid to participants during an initial time period, WIN program participants were not being hired when they completed WIN program training. This was attributed, largely, to recapture rules (i.e., rules which required employers to repay the credit taken when WIN employees were fired without cause or were not paid wages comparable to those paid non-WIN employees) that were adjudged too restrictive, by the Congress. Since the WIN program had not produced the intended results, the WIN tax credit provisions were further amended by the Tax Reform Act of 1976.

The 1976 Act made several changes to the WIN tax credit provisions, two that pertained only to the WIN tax credit, itself, three that pertained only to the temporary credit (Federal welfare recipients tax credit), and one that pertained to both of these credits.

The two changes that pertained to the WIN credit liberalized the recapture rules, which required employers to repay the credit, or portions thereof, under certain conditions. First, the recapture period was reduced from 24 months of employment to 6 months (90 days after the first 90 days) of employment; thus, corporations could now fire WIN employees without cause and still receive the WIN tax credit, if the fired employees had been employed for 6 months or more. Second, the credit taken for WIN employees laid-off because the employers had no work for them

during slack seasons was exempted from the recapture rules and did not have to be repaid.

The three changes that pertained to the temporary credit were as follows: first, the expiration date of the temporary credit was extended from July 1, 1976, to January 1, 1980; second, the period for which the wages of any one employee would be eligible for the credit was limited to 12 months; and third, WIN agencies were permitted to certify eligibility for the temporary credit (under the Tax Reduction Act of 1975, only State or local welfare agencies had this prerogative).

The change that pertained to both of the credits doubled the limit on the credit based on the presence and size of income tax. The limitation based on income tax was raised from \$25,000 to \$50,000 plus an amount equal to 50 percent of the income tax liability after credits (i.e., foreign tax, U.S. possessions tax, and investment credits) that was in excess of \$50,000.

Detailed statistics on computation of the WIN credit are presented in figure E. This figure shows that 4,795 of the 6,243 corporations reporting WIN credit items accounted for the approximately \$9.4 million WIN credit claimed by corporations in the 1976 Tax Year. Also, the figure shows that 2,703 corporations had unused WIN credits of approximately \$2.4 million. The limitation for WIN credit was about \$9.0 million for corporations with WIN program items, other than child care program items; the limitation for corporations with child care program items was \$0.3 million.

The amount of WIN credit claimed by corporations has fluctuated over the years. In the first year (1972) that the statistics were available, the WIN credit was about \$2 million. In 1973, the WIN credit reached its previous peak of approximately \$9 million. In the interim, the amount of WIN credit declined to about \$7.8 million in 1974 and about \$5.3 million in 1975 or by 13.7 and 31.7 percent, respectively, from 1973. This decline, for the most part, was attributed to the strict recapture rules contained in the Revenue Act of 1971. As a result of the liberalization of the WIN credit recapture rules in the Tax Reform Act of 1976, the amount of WIN credit was up by almost 76 percent between 1975 and 1976. At the same time the amount of recaptured WIN credit (i.e., tax from recomputing prior year WIN credit) of \$153 thousand shown in figure E represents a decline of about 75 percent from 1975 when it was \$608 thousand.

#### International Boycotts

In an effort to penalize U.S. businesses that participated in or cooperated with an international boycott, the Tax Reform Act of 1976 included special international boycott participation provisions. These provisions denied (or limited) to corporations the benefits of the foreign tax credit and the deferral of taxation on the earnings of Controlled Foreign Corporations and Domestic International Sales Corporations (DISC's). Benefits were limited if they were attributable to operations connected with an agreement to participate in or cooperate with an international boycott conducted after November 3, 1976.

A "grandfather clause" was included in the Act for earnings attributable to operations conducted in accordance with the terms of a binding contract entered into before September 2, 1976. In this case, the denial of benefits was delayed and was applicable only for earnings attributable to a boycott participation conducted after December 31, 1977.

Specifically, a corporation was considered to have participated in an international boycott if it agreed as a condition of doing business within a country or

Figure E.—Returns of Active Corporations, Other Than Form 1120-DISC: Work Incentive (WIN) Program Items, Income Year 1976

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Number or amount |
|--|------------------|
| Number of returns of active corporations, other than Form 1120-DISC.....   | 2,075,289        |
| Returns, other than Forms 1120S and 1120-DISC, with work incentive (WIN) program items reported on Form 4874 <sup>1</sup> or with work incentive (WIN) credit: |                  |
| Number of returns.....   | 6,243            |
| Returns with work incentive (WIN) program items, other than child day care program items:  |                  |
| Number of returns.....   | 4,995            |
| Number of employees.....   | 15,078           |
| Salaries and wages used for credit.....  | 43,620           |
| Tentative work incentive (WIN) credit:   |                  |
| Number of returns.....   | 4,357            |
| Amount.....  | 8,400            |
| Work incentive (WIN) credit carryover:   |                  |
| Number of returns.....   | 939              |
| Amount.....  | 2,742            |
| Returns with child day care program items:   |                  |
| Number of returns.....   | 408              |
| Number of employees.....   | 1,031            |
| Salaries and wages used for credit.....  | 2,864            |
| Tentative work incentive (WIN) credit:   |                  |
| Number of returns.....   | 408              |
| Amount.....  | 558              |
| Normal tax, surtax, and alternative tax after foreign tax, U.S. possessions tax, and investment credits.....   | 13,418,188       |
| Work incentive (WIN) credit, total:  |                  |
| Number of returns.....   | 4,795            |
| Amount.....  | 9,352            |
| Credit limitation reported for work incentive (WIN) program items, other than child day care program items....   | 8,958            |
| Credit limitation reported for child day care program items.....   | 287              |
| Tax from recomputing prior-year work incentive (WIN) credit:   |                  |
| Number of returns.....   | 1,203            |
| Amount.....  | 153              |
| Unused work incentive (WIN) credit:  |                  |
| Number of returns.....   | 2,703            |
| Amount.....  | 2,388            |
| Returns of Small Business Corporations, Form 1120S, with work incentive (WIN) program items reported on Form 4874: <sup>1</sup>                                |                  |
| Number of returns.....   | 230              |
| Salaries and wages usable by stockholders for credit.....  | 660              |

<sup>1</sup>Form 4874 was titled "Credit for Work Incentive (WIN) Program Expenses." See the facsimile of this form in the "Facsimiles of Returns Used" section of this report.

with the Government of a country to refrain from: (1) doing business with or in a country that was the object of a boycott, (2) doing business with any U.S. "person" engaged in trade in a country that was the object of a boycott, (3) doing business with any company whose ownership or management was made up, all or in part, of individuals of a particular nationality, race, or religion, or selecting or removing corporate directors who were individuals of a particular nationality, race, or religion, (4) employing individuals of a particular nationality, race, or religion, or (5) shipping or insuring products on a carrier owned, leased or operated by a person who did not participate in or cooperate with an international boycott.

The loss of tax benefits was computed by the "international boycott factor" method or by the "specifically attributable income and taxes" method. Corporations using the first method multiplied the tax benefits to which they would otherwise be entitled by the "international boycott factor" and forfeited the tax benefits represented by that product. The international boycott factor was a fraction. Generally, the numerator of the fraction reflected all purchases, sales, and payroll of the corporation applying the fraction in countries associated with carrying out the international boycott, exclusive of those operations for which the presumption of participation or cooperation had been rebutted. The denominator reflected the corporation's purchases, sales, and payroll in all countries other than the United States. If the corporation applying the international boycott factor were a member of a controlled group of corporations (within the meaning of Code section 993(a)(3)), the numerator and denominator reflected the total purchases, sales, payroll of the controlled group.

Corporations that chose to determine loss of tax benefits by applying the specifically attributable income and taxes method were required to demonstrate the foreign taxes paid and income earned attributable to specific operations by analyzing the profit and loss data of each separate and identifiable operation. The use of the international boycott factor or the specifically attributable income and taxes method is an annual election.

#### Recapture of Depreciation on Residential Real Property and Intangible Drilling Development Costs

Prior to the Tax Reform of 1976, net gains under Code section 1231 on the sale of real property used in a trade or business were taxable as long-term capital gains, and net losses were generally treated as ordinary losses fully deductible against any income and not just capital gain. However, gain on the sale of depreciable real property such as buildings, was generally recaptured and taxed as ordinary income rather than capital gain to the extent that the gain represented accelerated depreciation allowed or allowable in excess of the amount computed under the straight-line method of depreciation.

First enacted in 1962, this recapture provision was designed to prevent deductions for accelerated depreciation from converting ordinary income into a capital gain. In general, the 1962 recapture provision, section 1245 of the Code, provided that gain on a sale of most personal property would be taxed as ordinary income based on accelerated depreciation taken on the property after December 31, 1962. In 1964, recapture rules were extended in section 1250 to real property to provide, in general, that gain on a sale would be taxed as ordinary income to the extent

of the accelerated depreciation in excess of straight-line depreciation taken on property after December 31, 1963. This provision, however, also provided for a gradual reduction of the amount to be recaptured. If the property had been held over 12 months, only the excess of accelerated depreciation over straight-line depreciation was recaptured and the amount recaptured was then reduced after an initial 20-month holding period at the rate of 1 percent per month. Therefore, after 120 months there was no recapture of any depreciation. Similarly, there was no recapture if the property had not been held for more than 12 months.

In the Tax Reform Act of 1969, the recapture rules on real property were further modified as to post-1969 depreciation. For residential real property generally and property with respect to which accelerated depreciation had been allowed, post-1969 depreciation in excess of straight-line depreciation was fully recaptured at ordinary income rates if the property had been held for more than 12 months but not more than 100 months. For each month the property was held over 100 months, there was a 1 percent reduction in the amount of post-1969 depreciation that was recaptured. Consequently, if the property was held for less than 12 months or at least 200 months (i.e., 16 years and 8 months) there was no recapture of any depreciation.

In the case of nonresidential (or commercial) real property, all post-1969 depreciation in excess of straight-line depreciation was recaptured regardless of the length of time the property was held.

In the case of residential real property, but not low-income rental housing, the Tax Reform Act of 1976 provided for the complete recapture of all post-1975 depreciation in excess of straight-line depreciation. As under prior law, all of the depreciation taken, including straight-line depreciation, was recaptured as ordinary income if the property was not held for more than 12 months. Under the 1976 Act, all accelerated depreciation attributable to taxable years beginning after December 31, 1975, was fully recaptured to the extent of any depreciation in excess of straight-line depreciation, regardless of the date the property was constructed.

Special rules were provided in the case where a portion of the gain from the sale or exchange of property was subject to recapture under both the former recapture rules and the new recapture rules. Under these special rules, first, accelerated depreciation taken after December 31, 1975, was to be recaptured (to the extent of any gain); second, accelerated depreciation taken after December 31, 1969, and before January 1, 1976, was to be recaptured (to the extent of any gain in excess of post-1975 (i.e., after December 31, 1975) additional depreciation; and third, accelerated depreciation taken after December 31, 1963, and before January 1, 1970, was to be recaptured (to the extent of any remaining gain not recaptured).

In foreclosure cases, the Act provided that the monthly percentage reduction of the amount of accelerated depreciation subject to recapture was to terminate as of the date of which such proceedings were begun.

Prior to the Tax Reform Act of 1976, the operating interest in an oil or gas property was considered to be either a capital asset or real property used in a trade or business. As a result, where the operating interest was sold after being held for more than 6 months, the income from the sale qualified for treatment as a long-term capital gain. In computing the gain, amounts deducted for intangible drilling and development costs were not subject to recapture as ordinary income.

Formerly, the value of oil and gas shelter investment was increased by the provision that allowed the

gain from the sale of oil and gas properties to be treated as a capital gain without any significant recapture of deductions as ordinary income. Under this provision, an investor was permitted to convert into capital gains, subject to the lower capital gains tax rate amounts which would be taken into account as ordinary income in later years. The conversion provision was available to the investor who had obtained a deferral of tax through the deduction of intangible drilling and development costs.

The Tax Reform Act of 1976 provided for the recapture as ordinary income of certain intangible drilling and development costs upon the disposition of oil and gas properties if the disposition took place after December 31, 1975. The amount subject to recapture was the amount deducted for intangible drilling and development costs (paid or incurred after December 31, 1975), reduced by the amounts which would have been deductible had those intangible costs been capitalized and deducted through cost depletion. However, the amount recaptured could not exceed the amount of gain realized from the disposition.

#### Domestic International Sales Corporations

In order to insure greater efficiency at less cost, while allowing the same incentive for increased exports, the Tax Reform Act of 1976 adjusted the Domestic International Sales Corporation (DISC) benefits to encourage an increase in exportation and to eliminate the general benefit for goods and services which would have been exported anyway. For DISC's with income of more than \$100,000, the new law limited DISC benefits (deferral of taxation on a portion of earnings and profits) to income attributable to export gross receipts in excess of 67 percent of the average export gross receipts during a 4-year moving base period (initially 1972 through 1975). DISC's with income of \$100,000 or less were not affected by this change and continued to benefit from the original provisions of the law.

Under prior law, the taxation on up to 50 percent of a DISC's earnings and profits for a taxable year was deferred until the income was distributed to the stockholders. The remainder (at least 50 percent) was taxed currently through the DISC stockholders whether or not it was actually distributed or only deemed distributed. In most cases the DISC stockholders were parent corporations. The new law, which was effective for taxable years beginning after December 31, 1975, left intact the basic provisions of prior law; DISC's continued to be a means of tax deferral and stockholders were still liable for tax on certain of the DISC's taxable income. However, in addition to limiting DISC benefits to income in excess of 67 percent of the average exports over a base period, effective with taxable years beginning after December 31, 1975, benefits were further limited in the case of military sales to 50 percent of the income attributable to such sales. DISC benefits were denied altogether for income attributable to operations in which there was international boycott participation and for any illegal bribe, kickback, or other payment paid by a DISC to a foreign government.

The 1976 Act also modified a provision of the Tax Reduction Act of 1975, which denied DISC benefits for the exports of depletable energy products (such as oil, gas, hard minerals and timber). This modification restored full DISC benefits on exports of renewable resources such as timber. Furthermore, DISC benefits were also restored on sales of depletable natural resource products made before March 19, 1980, if the sale was made pursuant to a fixed contract which was binding on a DISC or a member of the same "controlled group" as the DISC on March 18, 1975 and thereafter.

The provision of the 1975 Act which denied DISC benefits for products whose export was curtailed or prohibited, largely because of their scarcity, by the Export Administration Act of 1969, was unchanged by the 1976 Act. As a result, these products continued to be denied DISC benefits.

Of the approximately 6,900 DISC returns (figure F) filed for 1976, about 6,600 (or about 96 percent)

accounted for nearly \$27.2 billion in total receipts. More than 99 percent of these receipts were from the sale or lease of export property, or from related services, as indicated by the nearly \$27.1 billion in qualified export receipts. Only 626 DISC returns reported deficits for the year. Tax deferred income and income taxable to stockholders amounted to approximately \$5.1 billion.

Figure F.--Returns of Active Domestic International Sales Corporations, Form 1120-DISC: Number of Returns, Balance Sheet and Income Statement Items, and Distributions to Stockholders, Income Year 1976

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item  | Number of returns | Amount     |
|---|-------------------|------------|
| Number of returns:  |                   |            |
| Total.....  | 6,911             | -          |
| With net income.....  | 6,169             | -          |
| Total assets.....   | 6,847             | 14,678,285 |
| Cash.....   | 6,655             | 468,222    |
| Notes and accounts receivable.....  | 5,522             | 8,857,039  |
| Less: Allowance for bad debts.....  | 573               | 17,064     |
| Inventories.....  | 1,127             | 912,182    |
| Other investments.....  | 1,892             | 2,998,354  |
| Depreciable assets.....   | 973               | 54,882     |
| Less: Accumulated depreciation.....   | 916               | 16,678     |
| Other assets.....   | 4,038             | 1,421,348  |
| Total liabilities.....  | 6,847             | 14,678,285 |
| Accounts payable.....   | 3,166             | 1,362,700  |
| Other current liabilities.....  | 2,956             | 594,644    |
| Mortgages, notes, and bonds payable in one year or more.....                      | 451               | 80,982     |
| Other liabilities.....  | 1,191             | 282,067    |
| Capital stock.....  | 6,847             | 85,099     |
| Paid-in or capital surplus.....   | 302               | 99,474     |
| Retained earnings, unappropriated.....  | 6,694             | 12,176,870 |
| Less: Cost of treasury stock.....   | 86                | 3,551      |
| Total receipts.....   | 6,569             | 27,239,543 |
| Business receipts.....  | 6,359             | 26,681,104 |
| Interest on State and local Government obligations.....                           | **                | **         |
| Other interest.....   | 2,750             | 414,140    |
| Net short-term capital gain reduced by net long-term capital loss.....            | *23               | *205       |
| Net long-term capital gain reduced by net short-term capital loss.....            | *16               | *290       |
| Net gain, noncapital assets.....  | 72                | 2,507      |
| Dividends received from domestic corporations.....                                | **                | **         |
| Dividends received from foreign corporations.....                                 | 5                 | 10,279     |
| Other receipts.....   | 1,961             | 130,894    |
| Total deductions.....   | 6,179             | 22,180,571 |
| Cost of sales and operations.....   | 3,556             | 20,834,050 |
| Compensation of officers.....   | 520               | 27,140     |
| Repairs.....  | 368               | 3,326      |
| Bad debts.....  | 757               | 14,603     |
| Rent paid on business property.....   | 1,055             | 11,475     |
| Taxes paid.....   | 4,399             | 39,281     |
| Interest paid.....  | 1,179             | 18,484     |
| Contributions or gifts.....   | 258               | 939        |
| Amortization.....   | 1,051             | 436        |
| Depreciation.....   | 858               | 6,928      |
| Advertising.....  | 974               | 29,378     |
| Pension, profit-sharing, stock bonus, and annuity plans.....                      | 281               | 7,211      |
| Employee benefit programs.....  | 360               | 4,685      |
| Net loss, noncapital assets.....  | 72                | 2,507      |
| Other deductions.....   | 5,265             | 1,180,128  |
| Total receipts less total deductions.....   | 6,802             | 5,058,972  |
| Net income (less deficit).....  | 6,795             | 5,062,901  |
| Net income.....   | 6,169             | 5,072,021  |
| Deficit.....  | 626               | 9,120      |
| Total statutory special deductions.....   | 114               | 1,452      |
| Tax deferred income and income taxable to stockholders.....                       | 6,122             | 5,070,564  |
| Distributions to stockholders in cash.....  | 3,623             | 2,142,317  |
| Items unique to Form 1120-DISC:   |                   |            |
| Qualified export receipts.....  | 6,493             | 27,112,717 |
| Export promotion expenses.....  | 3,658             | 796,964    |
| Total amount deemed distributed.....  | 6,028             | 3,498,536  |
| Items unique to Form 1120-DISC, Schedule N (Geographic Source of Gross Receipts): |                   |            |
| Export gross receipts of DISC.....  | 6,395             | 82,682,035 |
| Export gross receipts of all other related U.S. persons.....                      | 745               | 7,966,542  |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

## Section 3

# Description of the Sample and Limitations of the Data

### SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of corporation income tax returns selected after revenue processing but before audit (see figure G). The corporation population from which the sample was drawn contained the following types of returns: Form 1120--U.S. Corporation Income Tax Return; Form 1120L--U.S. Life Insurance Company Income Tax Return; Form 1120M--U.S. Mutual Insurance Company Income Tax Return; Form 1120S--U.S. Small Business Corporation Income Tax Return; Form 1120F--U.S. Income Tax Return of a Foreign Corporation; and Form 1120-DISC--Domestic International Sales Corporation Return. The total sample of 101,407 returns was selected from a population of 2,190,114 returns.

All sample returns, except those for Form 1120-DISC were computer-selected from the Internal Revenue Service Business Master File system on the basis of a systematic design of randomly-designated ending digits of the Employer Identification Number. (These numbers were used for revenue processing in the Master File system.) Although Form 1120-DISC returns were not included on the Master File, they were manually designated and selected using a simplified version of the same system of ending digits.

The sample rates for return Forms 1120 and 1120S ranged from 0.6 percent to 100 percent, depending upon the year in which sampled, and were based on size of total assets and net income (or deficit). Return Forms 1120L, 1120M, and 1120F were sampled at the 100 percent rate. For return Form 1120-DISC, sample rates were dependent upon the size of total assets of the majority corporate stockholder, the size of the gross receipts of the DISC reported on Schedule N, and the size of net income (or deficit). The sample rates ranged from 10 to 100 percent.

Figure H contains the number of returns in the population and sample, by sample class and sampling rates (both prescribed and achieved). A comparison of the total population (2,190,114) in figure H with the total estimated number of returns (2,082,200) shown in table 1 (column 1) will show a difference of 107,914. This difference resulted from 76,579 returns being excluded as inactive corporation returns because they had neither income nor deductions. The remaining 31,335 returns were excluded chiefly because they were either (1) amended returns not associated with the original returns, (2) tentative returns not associated with the revised returns (the revised returns were subject to sampling), or (3) certain delinquent returns of large corporations for prior years.

### METHOD OF ESTIMATION

The sample returns were weighted to represent the business activities of the total number of corporations engaged in business in the United States and its possessions and filing returns with accounting periods ended July 1976 through June 1977. Nearly all of the sampled returns were for this period and were revenue processed during 1976, 1977, and 1978.

Sampling weights were obtained by dividing the number of returns filed per sample class by the number of sample returns for the stratum. All sampling weights were then converted to "integer weighting factors" which were applied to each sample return. For example, if a factor of 12.65 was computed for a stratum, 65 percent of the returns in the stratum were systematically given a weighting factor of 13 and 35 percent a weighting factor of 12.

Whenever a weighted frequency is less than 3, the estimate is combined or deleted in order to avoid disclosure of information about specific corporations. These combinations or deletions are indicated by either a double asterisk (\*\*) or a triple asterisk (\*\*\*). In all other cases, when an estimate is based on fewer than 10 returns, not all of them selected at the 100 percent rate, the estimate is considered statistically unreliable and is indicated by a single asterisk (\*) to the left of the data items. (Asterisked estimates should normally be used only in combination with other tabulated values.)

In the tables, a dash in place of a frequency or an amount indicates that: (1) if returns were sampled at a rate of 100 percent, no returns had the particular characteristic; or (2) if returns were sampled at a rate less than 100 percent, either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any sample returns.

### SAMPLING VARIABILITY

The particular sample used here for statistical purposes is one of a large number of all the possible samples of the same size that could be selected using the same sample design. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the sampling variability. The standard deviation of an estimate is a measure of the variation among the estimates from the possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation is the standard deviation of the estimate expressed as a percent of the estimate. The standard deviation, when added to and subtracted from the value of the estimate, provides upper and lower limits within which approximately two out of three estimates derived from similarly selected samples would be expected to fall.

For this report, coefficients of variation were computed using the sum-of-the-squares method for frequency estimates and appear in figure I in this section. These coefficient of variation estimates are based on an upper limit formula and are meant as a general guide.

Figure G.—Corporation Returns Sample Selection Classes, Income Year 1976

| Sample class number<br>by type of return and<br>by year sampled |                |               | Sample selection criteria <sup>1</sup>                  |   |                                |
|---|----------------|---------------|---|---|--------------------------------|
|   |                |               | Size of total assets                                    | Size of net income or deficit                 | Size of gross receipts of DISC |
| Before<br>1977  | During<br>1977 | After<br>1977 | (4)   | (5)   | (6)                            |
| Forms 1120 and 1120S  |                |               |   |   |                                |
| 1a.....   | 1b.....        | 1c.....       | Under \$50,000.....                                     | Under \$25,000.....                           | Any amount.                    |
| 2a.....   | 2b.....        | 2c.....       | \$50,000 under \$100,000.....                           | \$25,000 under \$50,000.....                  | Any amount.                    |
| 3a.....   | 3b.....        | 3c.....       | \$100,000 under \$250,000.....                          | \$50,000 under \$100,000.....                 | Any amount.                    |
| 4a.....   | 4b.....        | 4c.....       | \$250,000 under \$500,000.....                          | \$100,000 under \$250,000.....                | Any amount.                    |
| 5a.....   | 5a.....        | 5b.....       | \$500,000 under \$1,000,000.....                        | \$250,000 under \$500,000.....                | Any amount.                    |
| 6a.....   | 6a.....        | .....         | \$1,000,000 under \$5,000,000.....                      | \$500,000 under \$750,000.....                | Any amount.                    |
|   |                | 7.....        | \$1,000,000 under \$2,500,000.....                      | \$500,000 under \$1,000,000.....              | Any amount.                    |
|   |                | 8.....        | \$2,500,000 under \$5,000,000.....                      | \$1,000,000 under \$1,500,000.....            | Any amount.                    |
| 9a.....   | 9a.....        | .....         | \$5,000,000 under \$10,000,000.....                     | \$750,000 under \$1,000,000.....              | Any amount.                    |
|   |                | 9b.....       | \$5,000,000 under \$10,000,000.....                     | \$1,500,000 under \$2,500,000.....            | Any amount.                    |
| 10a.....  | 10a.....       | .....         | \$10,000,000 or more <i>and not</i> controlled by name. | \$1,000,000 or more.....                      | Any amount.                    |
|   |                | 10c.....      | \$10,000,000 or more <i>and not</i> controlled by name. | \$2,500,000 or more.....                      | Any amount.                    |
| 10b.....  | 10b.....       | .....         | \$10,000,000 or more <i>and</i> controlled by name.     | \$1,000,000 or more.....                      | Any amount.                    |
|   |                | 10d.....      | \$10,000,000 or more <i>and</i> controlled by name.     | \$2,500,000 or more.....                      | Any amount.                    |
| Forms 1120L and 1120M   |                |               |   |   |                                |
| 11a.....  | 11a.....       | 11c.....      | Any amount <i>and not</i> controlled by name.           | Any amount.....                               | Any amount.                    |
| 11b.....  | 11b.....       | 11d.....      | Any amount <i>and</i> controlled by name.               | Any amount.....                               | Any amount.                    |
| Form 1120F <sup>2</sup>   |                |               |   |   |                                |
| 12a.....  | 12a.....       | 12c.....      | Any amount.....   | Any amount <i>and not</i> controlled by name. | Any amount.                    |
| 12b.....  | 12b.....       | 12d.....      | Any amount.....   | Any amount <i>and</i> controlled by name.     | Any amount.                    |
| Form 1120-DISC  |                |               |   |   |                                |
| 13.....   | .....          | .....         | Under \$250,000,000 <sup>3</sup> .....                  | Any amount.....                               | Under \$10,000,000.            |
| 14.....   | .....          | .....         | \$250,000,000 or more <sup>3</sup> .....                | Any amount.....                               | \$10,000,000 or more.          |
|   | 15.....        | 15.....       | Under \$50,000,000 <sup>3</sup> .....                   | Under \$200,000.....                          | Any amount.                    |
|   | 16.....        | 16.....       | \$50,000,000 under \$250,000,000 <sup>3</sup> .....     | \$200,000 under \$1,000,000.....              | Any amount.                    |
|   | 17.....        | 17.....       | \$250,000,000 or more <sup>3</sup> .....                | \$1,000,000 or more.....                      | Any amount.                    |

<sup>1</sup>Returns were classified according to either size of total assets, size of net income or deficit, or size of gross receipts of DISC, whichever made the sample class number higher. EXAMPLE: A Form 1120 with total assets of \$750,000 and having net income of \$75,000 would be in sample class 5a or 5b rather than sample class 3a, 3b, or 3c.

<sup>2</sup>Returns with income not effectively connected with a U.S. business were included in the sample to facilitate Form 1120F selection, although not processed for the sample.

<sup>3</sup>Size of total assets of majority corporate stockholder.

Figure H.—Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Class Number, Income Year 1976

| Sample class number | Number of returns    |             | Sampling rates (Percent) |          |
|---------------------|----------------------|-------------|--------------------------|----------|
|                     | Estimated population | Sample size | Prescribed               | Achieved |
|                     | (1)                  | (2)         | (3)                      | (4)      |
| Total...            | 2,190,114            | 101,407     | -                        | -        |
| 1a.....             | 80,808               | 606         | 0.80                     | 0.75     |
| 1b.....             | 794,577              | 5,547       | 0.70                     | 0.70     |
| 1c.....             | 67,333               | 419         | 0.60                     | 0.62     |
| 2a.....             | 29,189               | 274         | 1.10                     | 0.94     |
| 2b.....             | 284,449              | 2,923       | 1.00                     | 1.03     |
| 2c.....             | 19,506               | 134         | 0.80                     | 0.69     |
| 3a.....             | 33,951               | 594         | 2.00                     | 1.75     |
| 3b.....             | 343,538              | 5,084       | 1.50                     | 1.48     |
| 3c.....             | 20,835               | 292         | 1.30                     | 1.40     |
| 4a.....             | 17,134               | 629         | 4.00                     | 3.67     |
| 4b.....             | 191,506              | 5,836       | 3.00                     | 3.05     |
| 4c.....             | 11,494               | 342         | 3.00                     | 2.98     |
| 5a.....             | 124,551              | 9,862       | 8.00                     | 7.92     |
| 5b.....             | 7,117                | 402         | 5.40                     | 5.65     |
| 6a.....             | 98,379               | 24,547      | 25.00                    | 24.95    |
| 7.....              | 5,326                | 728         | 14.00                    | 13.67    |
| 8.....              | 2,232                | 400         | 18.00                    | 17.92    |
| 9a.....             | 13,530               | 4,696       | 36.00                    | 34.71    |
| 9b.....             | 1,446                | 469         | 36.00                    | 32.43    |
| 10a.....            | 22,964               | 22,964      | 100.00                   | 100.00   |
| 10b.....            | 5,480                | 5,480       | 100.00                   | 100.00   |
| 10c.....            | 1,422                | 1,422       | 100.00                   | 100.00   |
| 10d.....            | 681                  | 681         | 100.00                   | 100.00   |
| 11a.....            | 2,467                | 2,467       | 100.00                   | 100.00   |
| 11b.....            | 386                  | 386         | 100.00                   | 100.00   |
| 11c.....            | 150                  | 150         | 100.00                   | 100.00   |
| 11d.....            | 2                    | 2           | 100.00                   | 100.00   |
| 12a.....            | 1,674                | 1,674       | 100.00                   | 100.00   |
| 12b.....            | 79                   | 79          | 100.00                   | 100.00   |
| 12c.....            | 463                  | 463         | 100.00                   | 100.00   |
| 12d.....            | 6                    | 6           | 100.00                   | 100.00   |
| 13.....             | 110                  | 43          | 30.00                    | 39.09    |
| 14.....             | 6                    | 6           | 100.00                   | 100.00   |
| 15.....             | 5,131                | 487         | 10.00                    | 9.49     |
| 16.....             | 1,395                | 516         | 40.00                    | 36.99    |
| 17.....             | 797                  | 797         | 100.00                   | 100.00   |

The sample estimate and an estimate of its standard deviation permit the construction of interval estimates with prescribed confidence that the interval includes the average result of all possible different samples. For example, in table 2, column 64, the number of returns for business services is shown as 111,386. A coefficient of variation of 3.8 percent for this frequency is obtained by using column 7 of figure I and interpolating as indicated in the footnote in figure I.

The standard deviation of the estimate  $SD(X)$  is needed to construct the interval estimate; it is the product of the estimate,  $X$  and its coefficient of variation,  $CV(X)$ :

$$SD(X) = X \cdot CV(X)$$

$$= 111,386 \cdot (0.038)$$

$$= 4,233 \text{ returns}$$

The  $SD(X)$  value is then subtracted from and added to the estimate  $X$  to construct a 68 percent confidence interval estimate. The interval is computed using this formula:

$$(X - SD(X)) \leq Y \leq (X + SD(X))$$

with 68 percent confidence, where  $Y$  is the population value estimated by  $X$ . Based on the data for this example, the interval estimate is from  $(111,386 - 4,233) = 107,153$  returns to  $(111,386 + 4,233) = 115,619$  returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds (68 percent) of all possible similarly selected different samples. To obtain this interval estimate with 95 percent confidence limits, multiply the  $SD(X)$  value by two. (For this data, the resulting interval would be from 102,920 returns to 119,852 returns).

#### SAMPLE MANAGEMENT

The totals (i.e., sample and population counts) for the number of returns filed were derived from computer counts of corporation returns (other than Form 1120-DISC) produced at the eleven Internal Revenue Service processing centers. These counts were verified during statistical processing to minimize the loss of data. Because of their significant impact on the statistics, the returns of the largest corporations were controlled on a name basis to assure their inclusion.

#### ROUNDING AND MONEY AMOUNTS

To facilitate statistical processing, data were usually abstracted from the tax return in thousands of dollars. Amounts of \$500 or more were raised to the next thousand, e.g., \$500 was entered as \$1,000. Amounts under \$500 were not entered; an indicator was entered instead to account for the frequency. While it is believed that the quality of the data was not affected, on average, the practice of allowing a tolerance and abstracting data in thousands of dollars did result in some irregular relationships for certain data items.

#### CONSOLIDATED RETURNS

The number of returns in the population differs from the total number of profit-oriented corporations in existence in 1976 chiefly because the Internal Revenue Code permitted single returns presenting the combined financial data of an entire "affiliated group" to be filed by parent corporations. Over 41,000 consolidated returns were filed by parent corporations for 1976 with data for total assets, total receipts, net income (less deficit), and total income tax (see table 15). These 41,401 consolidated corporation returns accounted for \$3.0 trillion of the \$4.7 trillion (or about 63 percent) of total assets for all corporations.

Figure I.—Coefficient of Variation of Estimated Number of Returns, Income Year 1976

| Estimated number of returns | Tables showing classification by size of total assets |                           |                           |                             |                               |                                | Tables not showing classification by size of total assets | Form 1120-DISC table |
|-----------------------------|---|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---|----------------------|
|                             | Under \$100,000 <sup>1</sup>                          | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 |   |                      |
|                             | (1)   | (2)                       | (3)                       | (4)                         | (5)                           | (6)                            | (7)   | (8)                  |
|                             | (Percent) <sup>2</sup>                                |                           |                           |                             |                               |                                |   |                      |
| 200.....                    | 89.4  | 59.3                      | 40.4                      | 28.9                        | 17.8                          | 10.2                           | 89.4  | 21.8                 |
| 300.....                    | 73.0  | 48.4                      | 33.0                      | 23.6                        | 14.5                          | 8.3                            | 73.0  | 17.8                 |
| 400.....                    | 63.2  | 41.9                      | 28.6                      | 20.4                        | 12.6                          | 7.2                            | 63.2  | 15.4                 |
| 500.....                    | 56.5  | 37.5                      | 25.5                      | 18.3                        | 11.2                          | 6.4                            | 56.5  | 13.8                 |
| 600.....                    | 51.6  | 34.2                      | 23.3                      | 16.7                        | 10.3                          | 5.9                            | 51.6  | 12.6                 |
| 700.....                    | 47.8  | 31.7                      | 21.6                      | 15.4                        | 9.5                           | 5.5                            | 47.8  | 11.7                 |
| 800.....                    | 44.7  | 29.7                      | 20.2                      | 14.4                        | 8.9                           | 5.1                            | 44.7  | 10.9                 |
| 900.....                    | 42.1  | 28.0                      | 19.0                      | 13.6                        | 8.4                           | 4.8                            | 42.1  | 10.3                 |
| 1,000.....                  | 40.0  | 26.5                      | 18.1                      | 12.9                        | 7.9                           | 4.6                            | 40.0  | 9.8                  |
| 1,200.....                  | 36.5  | 24.2                      | 16.5                      | 11.8                        | 7.3                           | 4.2                            | 36.5  | 8.9                  |
| 1,400.....                  | 33.8  | 22.4                      | 15.3                      | 10.9                        | 6.7                           | 3.9                            | 33.8  | 8.3                  |
| 1,600.....                  | 31.6  | 21.0                      | 14.3                      | 10.2                        | 6.3                           | 3.6                            | 31.6  | 7.7                  |
| 1,800.....                  | 29.8  | 19.8                      | 13.5                      | 9.6                         | 5.9                           | 3.4                            | 29.8  | 7.3                  |
| 2,000.....                  | 28.3  | 18.8                      | 12.8                      | 9.1                         | 5.6                           | 3.2                            | 28.3  | 6.9                  |
| 2,500.....                  | 25.3  | 16.8                      | 11.4                      | 8.2                         | 5.0                           | 2.9                            | 25.3  | 6.2                  |
| 3,000.....                  | 23.1  | 15.3                      | 10.4                      | 7.5                         | 4.6                           | 2.6                            | 23.1  | 5.6                  |
| 4,000.....                  | 20.0  | 13.3                      | 9.0                       | 6.5                         | 4.0                           | 2.3                            | 20.0  | 4.9                  |
| 5,000.....                  | 17.9  | 11.9                      | 8.1                       | 5.8                         | 3.6                           | 2.0                            | 17.9  | 4.4                  |
| 7,000.....                  | 15.1  | 10.0                      | 6.8                       | 4.9                         | 3.0                           | 1.7                            | 15.1  | 3.7                  |
| 10,000.....                 | 12.6  | 8.4                       | 5.7                       | 4.1                         | 2.5                           | 1.4                            | 12.6  | 3.1                  |
| 15,000.....                 | 10.3  | 6.8                       | 4.7                       | 3.3                         | 2.1                           | 1.2                            | 10.3  | (3)                  |
| 25,000.....                 | 8.0   | 5.3                       | 3.6                       | 2.6                         | 1.6                           | (3)                            | 8.0   | (3)                  |
| 35,000.....                 | 6.8   | 4.5                       | 3.1                       | 2.2                         | 1.3                           | (3)                            | 6.8   | (3)                  |
| 50,000.....                 | 5.7   | 3.8                       | 2.6                       | 1.8                         | 1.1                           | (3)                            | 5.7   | (3)                  |
| 75,000.....                 | 4.6   | 3.1                       | 2.1                       | 1.5                         | 0.9                           | (3)                            | 4.6   | (3)                  |
| 100,000.....                | 4.0   | 2.7                       | 1.8                       | 1.3                         | 0.8                           | (3)                            | 4.0   | (3)                  |
| 150,000.....                | 3.3   | 2.2                       | 1.5                       | 1.1                         | 0.6                           | (3)                            | 3.3   | (3)                  |
| 250,000.....                | 2.5   | 1.7                       | 1.1                       | (3)                         | (3)                           | (3)                            | 2.5   | (3)                  |
| 500,000.....                | 1.8   | 1.2                       | (3)                       | (3)                         | (3)                           | (3)                            | 1.8   | (3)                  |
| 700,000.....                | 1.5   | (3)                       | (3)                       | (3)                         | (3)                           | (3)                            | 1.5   | (3)                  |
| 1,000,000.....              | 1.3   | (3)                       | (3)                       | (3)                         | (3)                           | (3)                            | 1.3   | (3)                  |
| 1,500,000.....              | 1.0   | (3)                       | (3)                       | (3)                         | (3)                           | (3)                            | 1.0   | (3)                  |
| 2,000,000.....              | 0.9   | (3)                       | (3)                       | (3)                         | (3)                           | (3)                            | 0.9   | (3)                  |

<sup>1</sup>Includes zero assets and assets not reported.<sup>2</sup>This figure should normally not be used for estimates designated by a single asterisk (\*) because the sample is too small to yield reliable confidence interval estimates.<sup>3</sup>Not applicable because the estimated number of returns was greater than the population estimates.

NOTE: Coefficient of variation is zero for returns with total assets of \$10,000,000 or more. Method of interpolation: Divide the estimate by 100, determine the coefficient of variation in the proper column, and then divide the result by 10. EXAMPLE: 60,000 returns with total assets of \$250,000 under \$500,000. For 600 estimated number of returns, the coefficient of variation is 23.3 percent. Divide this by 10 and the coefficient of variation is 2.3 percent.

Returns with total assets of \$250 million or more accounted for about 84 percent of the total assets of consolidated returns but only about 66 percent of the total assets for all corporations. For total income tax, these large consolidated returns accounted for \$49.7 billion (or about 89 percent) of the \$56 billion for all large corporations. This \$49.7 billion was about 83 percent of the total income tax for consolidated returns.

Although consolidated returns usually reported more than one kind of industrial activity, they were assigned a single industry classification, just like every other corporation return, based on the corporation's principal business activity. Basically, the returns were classified into the Statistics of Income (SOI) industry which accounted for the largest portion of the total receipts.

The fact that a consolidated corporation return was assigned a single SOI industry code constitutes a limitation of the data. Some consolidated (and nonconsolidated) corporations are engaged in many types of business activities, so there are data in the consolidated corporation SOI industries that are not really related to the industrial activity under which they are shown.

#### INDUSTRIAL CLASSIFICATION

Among the several classifications used in this report, tax return data are classified according to the principal business activity of the corporation. Returns were classified in the "minor" industry which accounted for the largest portion of total receipts, even though the return may have been for a company engaged in many business activities or may have been a consolidated return filed for the members of an affiliated group of corporations. Minor industries were aggregated into major industries, which in turn were aggregated into industrial divisions.

Returns in the statistical sample were examined during statistical processing, and each was assigned a code classifying it by industry. In determining the code, the description of the business activity given by the taxpayer; the taxpayer-assigned code; the sources of the taxpayer's income; the nature of the expenses; and where necessary, information from various reference books, were considered. Year-to-year changes in the classification of specific corporations could have resulted from mergers and other changes in organization or from filing consolidated returns, as well as from a change in the principal source of total receipts.

The industries used in this report generally conform with the Enterprise Standard Industrial Classification (ESIC) authorized by the Statistical Policy Division, Office of Information and Regulatory Affairs in the Office of Management and Budget. This classification, which was designed to classify companies (which are often engaged in more than one industrial activity), follows closely along the lines of the more detailed Standard Industrial Classification Manual (SIC), 1972 edition, issued by the Office of Federal Statistical Policy and Standards, Depart-

ment of Commerce, which was designed to classify separate "establishments" rather than the companies of which establishments were part. Some departures from the ESIC system were made for Statistics of Income (SOI) for the finance industries in order to reflect particular provisions of the Internal Revenue Code. For a comparison of the ESIC and SIC industries with the SOI industries used in this report see the complete report, Statistics of Income--1973, Corporation Income Tax Returns.

More detailed statistics are available in Publication 1053, Source Book of Statistics of Income--1976, for the industries shown in table 1 of this report. A general description of the Source Book including ordering information, is available from the Director, Statistics Division PR:S, Internal Revenue Service, Washington, DC 20224. Information concerning a magnetic-tape version of the Source Book is available from the Machine-Readable Archives Division, National Archives, Washington, DC 20408.

#### OTHER DATA LIMITATIONS

Various techniques were used to control and improve the quality of the data during the processing stages. During sampling, in order to make sure that the sample was being selected according to the sample design, a comparison was made between the expected and realized number of sample returns in each of the service centers. Any differences were reconciled by follow-up. During statistical editing, editors were instructed to correct tax return errors wherever possible through reference to other entries on the return or accompanying schedules and to adjust data to achieve consistency in statistical definitions.

The quality of the editing was controlled by means of a continuous subsampling verification system at each processing center which resulted in 46 percent of the documents being reviewed. (All errors found in the review were corrected.) The review ranged from all of the very large and complex returns to nearly one-fourth of the small and relatively simple returns. In addition, the Statistics Division in the National Office independently reprocessed about 2 percent of the returns to evaluate the quality of the editing after verification and to determine adherence to processing instructions. Greater emphasis was placed on the largest and most complex returns. Results showed that overall 99.6 percent of the statistical codes and 99.3 percent of the money amounts were entered correctly. No discernible pattern was found in the errors uncovered.

Prior to tabulation numerous computer tests were applied to each return record to check for inconsistencies. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness, in light of the provisions of tax laws, taxpayer reporting variations and limitations, economic conditions, and comparability with other statistical series.

## INCOME AND FINANCIAL DATA BY INDUSTRY OR SIZE

- 1 Returns of active corporations: Number of returns, receipts, costs of sales and operations, net income, total income tax, foreign tax and investment credits, distributions to stockholders, total assets, net worth, depreciable assets, and depreciation deduction, by minor industry, 20
- 2 Returns of active corporations: Balance sheets and income statements, by major industry, 26
- 3 Returns with net income: Balance sheets and income statements, by major industry, 34
- 4 Returns of active corporations: Balance sheets and income statements, by size of total assets, 42
- 5 Returns with net income: Balance sheets and income statements, by size of total assets, 44
- 6 Returns of active corporations: Selected balance sheet, income statement, and tax items, and distributions to stockholders, by major industry, by size of total assets, 46
- 7 Returns of active corporations: Selected balance sheet, income statement, and tax items, and distributions to stockholders, by industrial division, by size of business receipts, 80

## SELECTED SUBJECTS

- 8 Returns of active Small Business Corporations, Form 1120S: Selected balance sheet and income statement items, income subject to tax, income tax, and distributions to stockholders, by selected industrial divisions, by size of total assets, 85
- 9 Returns of active corporations: Book net income or deficit and provision for Federal income tax, 90
- 10 Returns of active corporations: Returns with beginning and ending inventories and with "Last-in, First-out" (LIFO) inventory method: Business receipts, net income (less deficit), total income tax, and total assets, 91
- 11 Returns of active corporations, other than Forms 1120S and 1120-DISC: Tax preference and related items, 92
- 12 Returns of active corporations; Tax Items: Dividend items, statutory special deductions, income tax, credits, and taxpayments, 93
- 13 Returns of active corporations, other than Form 1120-DISC: Investment credit items: Number of returns, cost of property, investment qualified for credit, carryover, income tax, unused credit, depreciable assets, and depreciation deduction, 94
- 14 Returns of members of controlled groups, other than Form 1120-DISC: Number of returns, total assets, total receipts, net income (less deficit), total income tax, credits, and selected dividend items, by type of return and relationship, 95
- 15 Consolidated and nonconsolidated returns of active corporations: Number of returns, total assets, total receipts, net income (less deficit), total income tax, by size of total assets, 96

## RETURNS OF ACTIVE CORPORATIONS

Table 1.—Number of Returns, Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Foreign Tax and Investment Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, and Depreciation Deduction, by Minor Industry

(All figures are estimates based on samples—money amounts are in thousands of dollars)

|    | Minor industry  | Number of returns |                 | Total receipts |                         | Business receipts | Cost of sales and operations | Net income (less deficit) | Net income  | Deficit    | Income subject to tax |
|----|---|-------------------|-----------------|----------------|-------------------------|-------------------|------------------------------|---------------------------|-------------|------------|-----------------------|
|    |   | Total             | With net income | All returns    | Returns with net income |                   |                              |                           |             |            |                       |
|    |   | (1)               | (2)             | (3)            | (4)                     | (5)               | (6)                          | (7)                       | (8)         | (9)        | (10)                  |
| 1  | Total returns of active corporations .....  | 2,082,200         | 1,273,535       | 3,635,471,982  | 3,152,050,626           | 3,370,399,288     | 2,416,628,161                | 185,419,106               | 210,406,400 | 24,987,294 | 183,471,529           |
| 2  | Agriculture, forestry, and fishing .....  | 60,289            | 35,805          | 32,433,149     | 23,725,078              | 30,818,836        | 22,831,591                   | 640,291                   | 1,506,417   | 866,126    | 1,015,900             |
| 3  | Agricultural production .....   | 42,293            | 24,790          | 24,967,397     | 18,562,025              | 23,546,550        | 17,557,063                   | 476,964                   | 1,234,307   | 757,343    | 821,238               |
| 4  | Agricultural services, forestry, and fishing .....  | 17,996            | 11,015          | 7,465,752      | 5,163,053               | 7,272,286         | 5,274,528                    | 163,327                   | 272,110     | 108,783    | 194,662               |
| 5  | Mining .....  | 15,606            | 8,038           | 84,329,009     | 77,272,831              | 81,581,326        | 39,110,630                   | 30,024,706                | 30,958,113  | 930,407    | 30,389,014            |
| 6  | Metal mining .....  | 970               | 106             | 5,354,832      | 2,572,380               | 5,100,747         | 3,743,427                    | 43,164                    | 189,911     | 148,747    | 148,412               |
| 7  | Iron ores .....   | 26                | 14              | 1,699,905      | 1,078,499               | 1,611,101         | 1,204,932                    | 93,922                    | 113,382     | 19,460     | 91,154                |
| 8  | Copper, lead and zinc, gold and silver ores .....   | 397               | 13              | 3,177,793      | 1,200,386               | 3,033,836         | 2,304,649                    | -49,479                   | 45,095      | 94,574     | 36,852                |
| 9  | Other metal mining .....  | 547               | 79              | 477,134        | 293,495                 | 455,810           | 233,846                      | -1,279                    | 31,434      | 32,713     | 20,406                |
| 10 | Coal mining .....   | 2,344             | 1,346           | 11,792,378     | 10,123,085              | 11,378,056        | 7,312,141                    | 860,528                   | 1,137,799   | 277,271    | 1,012,992             |
| 11 | Oil and gas extraction .....  | 8,975             | 4,772           | 61,292,158     | 59,316,606              | 59,422,417        | 24,478,140                   | 28,842,384                | 29,279,566  | 437,182    | 28,935,560            |
| 12 | Crude petroleum, natural gas, and natural gas liquids .....                                 | 3,699             | 1,628           | 52,778,952     | 51,935,552              | 51,935,719        | 20,048,310                   | 27,591,881                | 27,869,266  | 277,385    | 27,663,828            |
| 13 | Oil and gas field services .....  | 5,276             | 3,144           | 8,513,206      | 7,381,054               | 7,486,698         | 4,429,830                    | 1,250,503                 | 1,410,300   | 159,797    | 1,271,732             |
| 14 | Nonmetallic minerals, except fuels .....  | 3,317             | 1,814           | 5,889,641      | 5,260,760               | 5,680,106         | 3,576,922                    | 278,630                   | 347,837     | 69,207     | 292,050               |
| 15 | Dimension, crushed, and broken stone; sand and gravel .....                                 | 2,722             | 1,573           | 3,598,451      | 3,023,550               | 3,470,802         | 2,230,072                    | 159,899                   | 208,407     | 48,508     | 168,458               |
| 16 | Other nonmetallic minerals, except fuels .....  | 595               | 241             | 2,291,190      | 2,237,210               | 2,209,304         | 1,346,850                    | 118,731                   | 139,430     | 20,699     | 123,592               |
| 17 | Construction .....  | 195,933           | 111,248         | 154,096,876    | 117,813,154             | 150,059,702       | 121,668,205                  | 2,826,234                 | 5,025,829   | 2,199,595  | 3,899,237             |
| 18 | General building contractors and operative builders .....                                   | 78,115            | 40,942          | 67,553,390     | 49,393,571              | 65,489,371        | 56,835,230                   | 770,808                   | 1,810,015   | 1,039,207  | 1,362,894             |
| 19 | General building contractors .....  | 74,102            | 38,632          | 62,751,397     | 45,748,871              | 60,944,876        | 52,992,387                   | 677,451                   | 1,597,995   | 920,544    | 1,193,629             |
| 20 | Operative builders .....  | 4,013             | 2,310           | 4,801,993      | 3,636,700               | 4,544,495         | 3,842,843                    | 93,357                    | 212,020     | 118,663    | 169,265               |
| 21 | Heavy construction contractors .....  | 16,533            | 8,821           | 32,788,962     | 27,423,045              | 31,606,699        | 25,156,456                   | 1,095,390                 | 1,477,054   | 381,664    | 1,252,153             |
| 22 | Special trade contractors .....   | 101,285           | 61,485          | 53,754,524     | 41,006,538              | 52,963,632        | 39,676,519                   | 960,036                   | 1,738,760   | 778,724    | 1,284,190             |
| 23 | Plumbing, heating, and air conditioning .....   | 23,079            | 14,758          | 14,665,539     | 11,622,848              | 14,497,210        | 11,244,872                   | 251,079                   | 394,912     | 143,833    | 294,199               |
| 24 | Electrical work .....   | 17,264            | 9,888           | 9,714,760      | 7,490,862               | 9,550,287         | 7,331,662                    | 153,742                   | 311,790     | 158,048    | 239,629               |
| 25 | Other special trade contractors and contractors not allocable .....                         | 60,942            | 36,839          | 29,374,225     | 21,892,828              | 28,916,135        | 21,099,985                   | 555,215                   | 1,032,058   | 476,843    | 750,362               |
| 26 | Manufacturing .....   | 212,333           | 140,628         | 1,462,652,852  | 1,329,123,383           | 1,414,454,531     | 1,035,840,144                | 89,272,357                | 94,990,863  | 5,718,506  | 88,825,102            |
| 27 | Food and kindred products .....   | 15,478            | 10,535          | 178,451,991    | 154,626,677             | 175,477,266       | 135,868,419                  | 7,340,030                 | 7,944,545   | 604,515    | 7,603,610             |
| 28 | Meat products .....   | 2,292             | 1,701           | 44,811,904     | 32,587,788              | 44,324,628        | 38,412,963                   | 598,762                   | 744,306     | 145,544    | 704,872               |
| 29 | Dairy products .....  | 1,983             | 1,178           | 26,438,907     | 24,587,543              | 26,054,266        | 21,370,933                   | 1,031,370                 | 1,071,104   | 39,734     | 1,050,431             |
| 30 | Preserved fruits and vegetables .....   | 1,066             | 448             | 14,921,862     | 13,228,502              | 14,597,684        | 10,772,448                   | 716,525                   | 773,151     | 56,626     | 773,775               |
| 31 | Grain mill products .....   | 1,495             | 941             | 21,614,578     | 20,289,531              | 21,125,885        | 16,547,158                   | 1,155,174                 | 1,186,720   | 31,546     | 1,145,687             |
| 32 | Bakery products .....   | 3,094             | 1,734           | 9,111,606      | 7,687,793               | 9,023,093         | 5,581,436                    | 430,877                   | 461,049     | 30,172     | 439,562               |
| 33 | Sugar and confectionery products .....  | 996               | 655             | 8,121,031      | 7,189,274               | 7,965,431         | 5,647,772                    | 374,827                   | 419,339     | 44,512     | 401,975               |
| 34 | Malt liquors and malt .....   | 39                | 32              | 7,260,795      | 6,982,203               | 7,188,641         | 4,544,828                    | 344,957                   | 371,067     | 26,110     | 356,618               |
| 35 | Alcoholic beverages, except malt liquors and malt .....                                     | 131               | 77              | 9,674,433      | 8,385,410               | 9,450,116         | 6,799,479                    | 425,593                   | 453,755     | 28,162     | 427,495               |
| 36 | Bottled soft drinks, and flavorings .....   | 1,806             | 1,645           | 13,213,408     | 12,936,606              | 12,829,272        | 8,391,410                    | 1,291,328                 | 1,309,311   | 17,983     | 1,206,602             |
| 37 | Other food and kindred products .....   | 2,576             | 2,124           | 23,283,827     | 22,918,026              | 22,918,250        | 17,799,992                   | 970,617                   | 1,154,743   | 184,126    | 1,114,593             |
| 38 | Tobacco manufactures .....  | 40                | ..              | 15,868,301     | ..                      | 15,422,861        | 8,931,948                    | 1,704,708                 | ..          | ..         | 1,653,364             |
| 39 | Textile mill products .....   | 4,690             | 3,377           | 33,331,206     | 27,962,609              | 32,829,446        | 25,664,584                   | 1,067,232                 | 1,433,359   | 366,127    | 1,340,467             |
| 40 | Weaving mills and textile finishing .....   | 758               | 463             | 15,065,501     | 13,382,905              | 14,828,521        | 11,598,735                   | 549,510                   | 689,464     | 139,954    | 667,079               |
| 41 | Knitting mills .....  | 1,245             | 985             | 5,647,113      | 4,533,549               | 5,557,121         | 4,292,153                    | 152,846                   | 226,633     | 73,787     | 206,268               |
| 42 | Other textile mill products .....   | 2,687             | 1,929           | 12,618,592     | 10,046,155              | 12,443,804        | 9,773,696                    | 364,876                   | 517,262     | 152,386    | 467,120               |
| 43 | Apparel and other textile products .....  | 15,756            | 9,638           | 35,020,321     | 30,005,429              | 34,578,132        | 26,142,515                   | 1,315,055                 | 1,547,658   | 232,603    | 1,357,813             |
| 44 | Men's and boys' clothing .....  | 2,374             | 1,339           | 11,704,389     | 10,648,642              | 11,493,183        | 8,586,263                    | 577,061                   | 662,685     | 85,624     | 622,751               |
| 45 | Women's and children's clothing .....   | 8,746             | 5,482           | 17,232,520     | 14,150,586              | 17,066,378        | 13,049,145                   | 520,646                   | 623,432     | 102,786    | 502,682               |
| 46 | Other apparel and accessories .....   | 2,110             | 1,460           | 2,190,658      | 1,845,386               | 2,172,605         | 1,631,645                    | 72,652                    | 88,987      | 16,335     | 66,467                |
| 47 | Miscellaneous fabricated textile products; textile products, not elsewhere classified ..... | 2,526             | 1,357           | 3,893,024      | 3,360,805               | 3,845,966         | 2,875,462                    | 144,696                   | 172,554     | 27,858     | 165,913               |
| 48 | Lumber and wood products .....  | 13,154            | 9,180           | 36,730,091     | 32,837,818              | 34,739,336        | 25,993,918                   | 1,899,364                 | 2,118,187   | 218,823    | 1,916,266             |
| 49 | Logging, sawmills, and planing mills .....  | 3,923             | 2,717           | 13,658,204     | 12,484,785              | 12,506,125        | 9,210,826                    | 899,655                   | 965,658     | 66,003     | 876,555               |
| 50 | Millwork, plywood, and related products .....   | 4,544             | 3,218           | 14,671,958     | 13,674,534              | 14,093,025        | 10,492,967                   | 736,271                   | 792,468     | 56,197     | 735,453               |
| 51 | Other wood products, including wood buildings and mobile homes .....                        | 4,687             | 3,245           | 8,399,929      | 6,678,499               | 8,140,186         | 6,290,125                    | 263,438                   | 360,061     | 96,623     | 304,258               |
| 52 | Furniture and fixtures .....  | 7,648             | 4,781           | 12,273,572     | 10,471,176              | 12,104,242        | 8,710,428                    | 510,125                   | 618,617     | 108,492    | 584,999               |
| 53 | Paper and allied products .....   | 3,409             | 2,820           | 41,740,792     | 39,045,955              | 40,334,080        | 29,938,043                   | 2,923,929                 | 3,039,007   | 115,078    | 2,950,859             |
| 54 | Pulp, paper, and board mills .....  | 430               | 397             | 21,002,157     | 19,920,055              | 20,117,304        | 14,264,750                   | 1,322,341                 | 1,361,528   | 39,187     | 1,317,608             |
| 55 | Other paper products .....  | 2,979             | 2,423           | 20,738,635     | 19,125,900              | 20,216,776        | 13,673,293                   | 1,601,588                 | 1,677,479   | 75,891     | 1,633,251             |
| 56 | Printing and publishing .....   | 30,259            | 18,359          | 44,323,860     | 40,581,012              | 42,838,853        | 27,137,049                   | 3,424,246                 | 3,724,173   | 299,927    | 3,440,700             |
| 57 | Newspapers .....  | 5,431             | 3,842           | 15,671,301     | 15,108,666              | 15,089,738        | 9,695,288                    | 1,745,145                 | 1,789,898   | 44,753     | 1,660,272             |
| 58 | Periodicals .....   | 3,611             | 1,974           | 5,903,764      | 5,401,822               | 5,739,128         | 3,666,422                    | 295,372                   | 347,181     | 51,809     | 300,867               |
| 59 | Books, greeting cards, and miscellaneous publishing .....                                   | 3,939             | 1,654           | 7,777,550      | 7,024,051               | 7,297,468         | 4,068,298                    | 660,247                   | 731,256     | 71,009     | 700,152               |
| 60 | Commercial and other printing and printing trade services .....                             | 17,278            | 10,869          | 14,971,245     | 13,046,473              | 14,712,519        | 9,707,041                    | 723,482                   | 855,838     | 132,356    | 779,409               |
| 61 | Chemicals and allied products .....   | 9,224             | 5,762           | 117,388,663    | 110,386,241             | 113,332,671       | 72,918,086                   | 10,699,905                | 11,071,334  | 371,429    | 10,854,226            |
| 62 | Industrial chemicals, plastics materials and synthetics .....                               | 2,594             | 1,984           | 56,260,599     | 53,697,050              | 54,466,695        | 36,071,308                   | 4,522,954                 | 4,702,266   | 179,312    | 4,613,269             |
| 63 | Drugs .....   | 722               | 448             | 24,815,913     | 23,868,499              | 23,694,379        | 13,228,317                   | 3,228,457                 | 3,276,663   | 48,206     | 3,234,016             |
| 64 | Soap, cleaners, and toilet goods .....  | 1,831             | 828             | 16,904,583     | 16,664,575              | 16,277,083        | 10,306,640                   | 1,951,592                 | 1,974,458   | 22,866     | 1,937,727             |
| 65 | Paints and allied products .....  | 1,360             | 1,047           | 5,382,661      | 4,689,646               | 5,318,939         | 3,827,162                    | 238,260                   | 258,822     | 20,562     | 242,799               |
| 66 | Agricultural and other chemical products .....  | 2,717             | 1,455           | 14,024,907     | 11,466,471              | 13,575,575        | 9,484,659                    | 758,642                   | 859,125     | 100,493    | 826,665               |
| 67 | Petroleum (including integrated) and coal products .....                                    | 1,182             | 1,039           | 305,812,261    | 301,282,119             | 295,293,920       | 246,287,244                  | 19,985,814                | 20,290,225  | 304,411    | 17,709,308            |
| 68 | Petroleum refining (including integrated) .....   | 450               | 353             | 302,882,286    | 298,392,372             | 292,431,270       | 244,167,187                  | 19,783,408                | 20,086,855  | 303,447    | 17,528,511            |
| 69 | Petroleum and coal products, not elsewhere classified .....                                 | 732               | 686             | 2,929,975      | 2,889,747               | 2,862,650         | 2,120,057                    | 202,406                   | 203,370     | 964        | 180,797               |
| 70 | Rubber and miscellaneous plastics products .....  | 7,278             | 5,189           | 28,093,510     | 25,970,382              | 27,464,285        | 19,402,129                   | 1,137,918                 | 1,286,399   | 148,481    | 1,210,285             |
| 71 | Rubber products; plastics footwear, hose and belting .....                                  | 1,201             | 1,088           | 19,012,831     | 18,411,518              | 18,509,755        | 13,121,173                   | 757,930                   | 779,715     | 21,785     | 761,884               |
| 72 | Miscellaneous plastics products .....   | 6,077             | 4,101           | 9,080,679      | 7,558,864               | 8,954,530         | 6,280,956                    | 379,988                   | 506,684     | 126,696    | 448,401               |
| 73 | Leather and leather products .....  | 2,590             | 2,089           | 10,004,517     | 9,178,453               | 9,823,768         | 7,117,062                    | 461,541                   | 498,457     | 36,916     | 436,727               |
| 74 | Footwear, except rubber .....   | 625               | 586             | 6,651,570      | 6,325,428               | 6,500,419         | 4,588,857                    | 329,591                   | 346,922     | 17,331     | 301,938               |
| 75 | Leather and leather products, not elsewhere classified .....                                | 1,965             | 1,503           | 3,352,947      | 2,853,025               | 3,323,349         | 2,528,205                    | 131,950                   | 151,535     | 19,585     | 134,789               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.—Number of Returns, Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Foreign Tax and Investment Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, and Depreciation Deduction, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Minor industry  | Number of returns |                 | Total receipts |                         | Business receipts | Cost of sales and operations | Net income (less deficit) | Net income | Deficit   | Income subject to tax |
|---|-------------------|-----------------|----------------|-------------------------|-------------------|------------------------------|---------------------------|------------|-----------|-----------------------|
|   | Total             | With net income | All returns    | Returns with net income |                   |                              |                           |            |           |                       |
|   | (1)               | (2)             | (3)            | (4)                     | (5)               | (6)                          | (7)                       | (8)        | (9)       | (10)                  |
| <b>Manufacturing—Continued</b>  |                   |                 |                |                         |                   |                              |                           |            |           |                       |
| 76 Stone, clay, and glass products  | 9,821             | 6,241           | 31,197,579     | 27,766,470              | 30,281,188        | 20,456,037                   | 1,674,726                 | 1,849,177  | 174,451   | 1,726,135             |
| 77 Glass products   | 1,219             | 890             | 10,388,760     | 10,058,800              | 10,013,715        | 6,693,716                    | 762,588                   | 780,018    | 17,430    | 754,512               |
| 78 Cement, hydraulic  | 247               | 91              | 2,847,884      | 1,850,666               | 2,771,337         | 1,844,333                    | 96,743                    | 120,521    | 23,778    | 109,908               |
| 79 Concrete, gypsum, and plaster products   | 4,711             | 3,223           | 9,767,681      | 8,492,551               | 9,532,538         | 6,608,025                    | 315,941                   | 404,525    | 88,584    | 347,043               |
| 80 Other nonmetallic mineral products   | 3,644             | 2,037           | 8,193,254      | 7,364,453               | 7,963,598         | 5,309,963                    | 499,454                   | 544,113    | 44,659    | 514,672               |
| 81 Primary metal industries   | 4,159             | 3,297           | 92,547,893     | 67,973,370              | 90,690,574        | 68,147,427                   | 2,159,542                 | 2,649,711  | 490,169   | 2,513,991             |
| 82 Ferrous metal industries, miscellaneous  |                   |                 |                |                         |                   |                              |                           |            |           |                       |
| primary metal products  | 2,024             | 1,667           | 57,016,998     | 40,080,622              | 55,978,577        | 41,332,178                   | 1,286,128                 | 1,686,618  | 400,490   | 1,630,254             |
| 83 Nonferrous metal industries  | 2,135             | 1,630           | 35,530,895     | 27,892,748              | 34,711,997        | 26,815,249                   | 873,414                   | 963,093    | 89,679    | 883,737               |
| 84 Fabricated metal products  | 29,266            | 19,895          | 68,466,387     | 62,006,938              | 67,127,383        | 47,448,365                   | 4,352,916                 | 4,753,067  | 400,151   | 4,409,388             |
| 85 Metal cans and shipping containers   | 189               | 113             | 7,812,967      | 7,671,329               | 7,672,656         | 5,551,036                    | 427,003                   | 434,570    | *7,567    | 430,301               |
| 86 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products | 3,916             | 2,562           | 8,773,515      | 8,229,990               | 8,560,325         | 5,462,948                    | 734,197                   | 763,962    | 29,765    | 726,659               |
| 87 Plumbing and heating, except electric and warm air                                     | 712               | 554             | 5,470,411      | 5,279,418               | 5,331,085         | 3,622,330                    | 457,712                   | 465,007    | 7,295     | 443,900               |
| 88 Fabricated structural metal products   | 9,972             | 5,590           | 18,711,439     | 16,417,248              | 18,339,143        | 13,640,770                   | 1,028,352                 | 1,177,469  | 149,117   | 1,047,566             |
| 89 Metal forgings and stampings   | 3,728             | 2,697           | 7,759,819      | 7,210,281               | 7,655,589         | 5,601,171                    | 543,880                   | 561,467    | 17,587    | 533,980               |
| 90 Coating, engraving, and allied services  | 2,658             | 1,660           | 2,532,805      | 2,233,284               | 2,491,995         | 1,676,417                    | 96,236                    | 124,831    | 18,511    | 111,010               |
| 91 Ordnance and accessories, except vehicles and guided missiles                          | 188               | 73              | 1,126,591      | 993,876                 | 1,107,576         | 821,712                      | 43,008                    | 64,815     | *21,807   | 63,552                |
| 92 Miscellaneous fabricated metal products  | 9,903             | 6,646           | 16,278,820     | 13,971,512              | 15,969,014        | 11,071,981                   | 1,022,528                 | 1,160,946  | 138,418   | 1,052,420             |
| 93 Machinery, except electrical   | 21,972            | 16,083          | 108,669,843    | 98,550,324              | 100,710,559       | 63,610,855                   | 9,875,706                 | 10,223,590 | 347,884   | 9,877,743             |
| 94 Farm machinery   | 1,705             | 1,275           | 9,961,647      | 8,552,019               | 9,260,678         | 6,408,895                    | 640,769                   | 665,952    | 25,183    | 650,350               |
| 95 Construction and related machinery   | 1,174             | 859             | 23,248,448     | 22,420,450              | 22,306,797        | 15,249,457                   | 1,983,153                 | 2,034,524  | 51,371    | 1,991,048             |
| 96 Metalworking machinery   | 7,341             | 4,909           | 9,550,638      | 8,225,228               | 9,332,449         | 6,041,139                    | 546,902                   | 614,176    | 67,274    | 570,580               |
| 97 Special industry machinery   | 2,376             | 1,946           | 8,211,772      | 7,584,992               | 7,933,912         | 5,344,284                    | 554,287                   | 597,800    | 43,513    | 542,538               |
| 98 General industrial machinery   | 3,043             | 2,378           | 13,589,283     | 11,722,027              | 13,212,377        | 9,100,550                    | 855,096                   | 898,877    | 43,781    | 865,938               |
| 99 Office and computing machines  | 344               | 218             | 30,697,630     | 27,879,555              | 25,588,507        | 12,217,030                   | 4,512,505                 | 4,576,791  | 64,286    | 4,493,294             |
| 100 Other machinery, except electrical  | 5,989             | 4,498           | 13,410,425     | 12,166,053              | 13,075,839        | 9,249,500                    | 782,994                   | 835,470    | 52,476    | 763,995               |
| 101 Electrical and electronic equipment   | 11,054            | 6,917           | 96,541,785     | 89,244,344              | 92,244,477        | 62,132,955                   | 6,047,061                 | 6,602,417  | 555,356   | 6,188,884             |
| 102 Household appliances  | 183               | 140             | 10,958,115     | 8,877,836               | 10,632,377        | 7,334,955                    | 718,181                   | 740,815    | 22,634    | 702,515               |
| 103 Radio, television, and communication equipment  | 2,197             | 1,375           | 24,700,912     | 23,781,065              | 23,030,327        | 15,464,154                   | 1,395,083                 | 1,536,436  | 141,353   | 1,439,914             |
| 104 Electronic components and accessories   | 4,114             | 2,180           | 21,782,044     | 18,866,288              | 21,040,329        | 14,387,721                   | 1,198,498                 | 1,478,480  | 279,982   | 1,316,333             |
| 105 Other electrical equipment  | 4,560             | 3,222           | 39,100,714     | 37,722,155              | 37,541,444        | 24,946,125                   | 2,735,299                 | 2,846,686  | 111,387   | 2,730,122             |
| 106 Motor vehicles and equipment  | 2,716             | 1,494           | 114,164,092    | 107,976,054             | 110,443,485       | 80,429,048                   | 7,967,312                 | 8,048,122  | 80,810    | 7,763,545             |
| 107 Transportation equipment, except motor vehicles                                       | 3,282             | 2,167           | 47,417,861     | 37,578,452              | 45,607,209        | 34,412,386                   | 1,195,410                 | 1,736,705  | 541,295   | 1,614,782             |
| 108 Aircraft, guided missiles and parts   | 796               | 591             | 36,613,255     | 28,118,852              | 35,134,721        | 26,381,147                   | 768,828                   | 1,215,607  | 446,679   | 1,111,893             |
| 109 Ship and boat building and repairing  | 1,583             | 1,048           | 5,032,706      | 4,170,967               | 4,893,689         | 3,791,157                    | 109,683                   | 171,800    | 62,117    | 157,826               |
| 110 Other transportation equipment, except motor vehicles                                 | 903               | 528             | 5,771,900      | 5,288,633               | 5,578,799         | 4,240,082                    | 316,799                   | 348,298    | 32,499    | 345,063               |
| 111 Instruments and related products  | 5,664             | 3,689           | 23,984,719     | 21,675,385              | 23,050,075        | 13,761,155                   | 2,365,870                 | 2,519,925  | 154,055   | 2,444,411             |
| 112 Scientific instruments and measuring devices; watches and clocks                      | 1,979             | 1,347           | 8,110,856      | 7,053,374               | 7,759,512         | 4,890,511                    | 537,181                   | 612,558    | 75,377    | 575,847               |
| 113 Optical, medical, and ophthalmic goods  | 3,230             | 2,056           | 8,522,169      | 7,959,775               | 8,303,541         | 5,026,078                    | 722,344                   | 767,720    | 45,376    | 743,657               |
| 114 Photographic equipment and supplies   | 455               | 286             | 7,351,694      | 6,662,236               | 6,987,022         | 3,844,566                    | 1,106,345                 | 1,139,647  | 33,302    | 1,124,907             |
| 115 Miscellaneous manufacturing and manufacturing not allocable                           | 13,691            | **              | 20,623,628     | **                      | 20,060,721        | 13,330,491                   | 1,163,947                 | **         | **        | 1,227,599             |
| 116 Transportation and public utilities   | 81,373            | 49,612          | 282,758,334    | 257,318,014             | 273,404,567       | 168,957,540                  | 14,499,740                | 16,607,843 | 2,108,103 | 15,265,182            |
| 117 Transportation  | 63,098            | 38,367          | 113,973,355    | 93,548,304              | 108,559,064       | 74,530,186                   | 2,688,922                 | 4,356,094  | 1,667,171 | 3,509,703             |
| 118 Railroad transportation   | 439               | 272             | 25,408,102     | 19,015,531              | 22,752,094        | 16,363,264                   | 12,312                    | 865,302    | 852,990   | 827,758               |
| 119 Local and interurban passenger transit  | 8,189             | 4,793           | 2,626,681      | 1,904,094               | 2,555,394         | 1,651,403                    | 60,118                    | 67,636     | 27,518    | 67,633                |
| 120 Trucking and warehousing  | 32,877            | 21,344          | 38,123,568     | 32,603,907              | 37,274,265        | 24,568,988                   | 1,244,613                 | 1,507,777  | 263,164   | 1,297,609             |
| 121 Water transportation  | 5,839             | 2,820           | 7,764,308      | 6,153,865               | 7,356,799         | 5,056,293                    | 553,007                   | 377,607    | 124,600   | 286,245               |
| 122 Transportation by air   | 5,484             | 2,479           | 24,573,815     | 20,303,783              | 23,541,843        | 15,365,499                   | 583,909                   | 797,086    | 123,177   | 387,703               |
| 123 Pipe lines, except natural gas  | 178               | 164             | 4,829,174      | 4,785,417               | 4,787,647         | 3,867,049                    | 304,911                   | 411,521    | 106,610   | 403,910               |
| 124 Transportation services, not elsewhere classified                                     | 10,112            | 6,495           | 10,647,707     | 8,781,707               | 10,291,032        | 7,657,690                    | 230,053                   | 309,155    | 79,112    | 238,845               |
| 125 Communication   | 8,982             | 5,214           | 62,244,828     | 61,256,641              | 61,211,176        | 29,088,149                   | 5,236,330                 | 5,377,410  | 141,080   | 5,193,398             |
| 126 Telephone, telegraph, and other communication services                                | 3,742             | 2,314           | 54,158,745     | 53,687,722              | 53,436,506        | 24,805,454                   | 4,213,951                 | 4,287,272  | 73,321    | 4,165,583             |
| 127 Radio and television broadcasting   | 5,240             | 2,900           | 8,086,083      | 7,568,919               | 7,774,670         | 4,282,695                    | 1,022,379                 | 1,090,138  | 67,759    | 1,027,815             |
| 128 Electric, gas, and sanitary services  | 9,293             | 6,031           | 106,540,151    | 102,513,069             | 103,634,327       | 65,339,205                   | 6,574,487                 | 6,874,339  | 299,852   | 6,562,081             |
| 129 Electric services   | 462               | 375             | 33,147,299     | 32,657,403              | 32,526,471        | 18,118,458                   | 2,152,591                 | 2,174,834  | 22,243    | 2,067,147             |
| 130 Gas production and distribution   | 1,497             | 1,072           | 41,267,136     | 40,933,938              | 40,345,642        | 29,164,953                   | 2,741,663                 | 2,766,652  | 24,989    | 2,680,528             |
| 131 Combination utility services  | 206               | 196             | 28,811,247     | 25,920,467              | 27,548,263        | 16,393,535                   | 1,467,913                 | 1,682,381  | *214,468  | 1,598,180             |
| 132 Water supply and other sanitary services  | 7,128             | 4,388           | 3,314,469      | 3,001,261               | 3,213,951         | 1,662,259                    | 212,320                   | 250,472    | 38,152    | 216,226               |
| 133 Wholesale and retail trade  | 635,540           | 413,609         | 1,113,913,736  | 940,838,894             | 1,094,672,268     | 862,112,883                  | 26,022,664                | 30,752,208 | 4,729,544 | 22,239,955            |
| 134 Wholesale trade   | 226,857           | 162,789         | 586,582,252    | 497,678,659             | 577,029,104       | 487,395,929                  | 15,740,542                | 17,871,699 | 2,131,157 | 11,243,612            |
| 135 Groceries and related products  | 20,292            | 14,860          | 93,002,017     | 79,912,113              | 91,968,684        | 80,788,629                   | 1,046,448                 | 1,245,639  | 199,191   | 968,121               |
| 136 Machinery, equipment, and supplies  | 49,849            | 38,473          | 70,905,888     | 64,427,412              | 69,157,436        | 51,861,551                   | 3,940,530                 | 4,227,480  | 296,950   | 2,122,226             |
| 137 Miscellaneous wholesale trade   | 156,716           | 109,456         | 422,674,347    | 353,339,134             | 415,902,984       | 354,745,749                  | 10,753,564                | 12,398,580 | 1,645,016 | 8,153,265             |
| 138 Motor vehicles and automotive equipment   | 18,974            | 12,611          | 32,560,974     | 27,643,218              | 32,110,937        | 25,203,099                   | 1,211,315                 | 1,384,919  | 173,604   | 840,684               |
| 139 Lumber and construction materials   | 10,322            | 6,650           | 20,527,911     | 17,480,330              | 20,202,182        | 16,646,173                   | 498,128                   | 590,182    | 92,054    | 427,234               |
| 140 Metals and minerals, except petroleum and scrap                                       | 4,843             | 3,381           | 25,978,754     | 21,616,992              | 25,646,040        | 22,670,472                   | 583,764                   | 699,201    | 115,437   | 503,405               |
| 141 Electrical goods  | 14,104            | 9,441           | 23,658,392     | 21,834,648              | 23,321,054        | 17,773,417                   | 1,183,034                 | 1,288,795  | 105,761   | 660,382               |
| 142 Hardware; plumbing, and heating   | 10,357            | 8,392           | 18,342,058     | 17,051,904              | 18,011,577        | 13,817,952                   | 498,879                   | 580,779    | 81,900    | 482,825               |
| 143 Other durable goods   | 31,216            | 21,907          | 59,850,441     | 53,686,523              | 58,832,523        | 48,794,619                   | 1,485,999                 | 1,759,539  | 273,540   | 1,164,101             |
| 144 Paper and paper products  | 4,233             | 2,938           | 9,799,926      | 8,841,883               | 9,670,659         | 7,827,081                    | 317,640                   | 352,426    | 34,786    | 191,830               |
| 145 Drugs, chemicals, and allied products   | 6,483             | 4,774           | 21,093,273     | 18,632,493              | 20,744,160        | 16,848,302                   | 1,034,744                 | 1,126,693  | 91,949    | 348,519               |
| 146 Apparel, piece goods, and notions   | 9,623             | 6,093           | 14,037,569     | 12,147,266              | 13,918,383        | 10,698,640                   | 347,474                   | 469,994    | 122,520   | 346,233               |
| 147 Farm—product raw materials  | 9,076             | 6,721           | 69,889,124     | 49,552,869              | 68,751,035        | 64,873,840                   | 596,601                   | 776,900    | 431,805   | 431,805               |
| 148 Petroleum and petroleum products  | 9,898             | 7,177           | 59,668,624     | 49,582,941              | 58,507,899        | 54,143,741                   | 1,650,006                 | 1,818,923  | 168,917   | 1,651,243             |
| 149 Alcoholic beverages   | 4,042             | 3,102           | 17,557,045     | 16,420,283              | 17,451,586        | 13,650,461                   | 462,053                   | 489,953    | 27,900    | 381,474               |
| 150 Miscellaneous nondurable goods; wholesale trade not allocable                         | 23,545            | 16,269          | 49,709,256     | 38,847,784              | 48,734,949        | 41,797,952                   | 883,927                   | 1,060,276  | 176,349   | 723,530               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## Corporation Returns/1976

## RETURNS OF ACTIVE CORPORATIONS

Table 1.—Number of Returns, Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Foreign Tax and Investment Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, and Depreciation Deduction, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|   | Minor industry   | Number of returns |                 | Total receipts     |                         | Business receipts  | Cost of sales and operations | Net income (less deficit) | Net income        | Deficit          | Income subject to tax |
|---|--|-------------------|-----------------|--------------------|-------------------------|--------------------|------------------------------|---------------------------|-------------------|------------------|-----------------------|
|   |  | Total             | With net income | All returns        | Returns with net income |                    |                              |                           |                   |                  |                       |
|   |  | (1)               | (2)             | (3)                | (4)                     | (5)                | (6)                          | (7)                       | (8)               | (9)              | (10)                  |
| <b>Wholesale and retail trade—Continued</b> |  |                   |                 |                    |                         |                    |                              |                           |                   |                  |                       |
| 151   | Retail trade   | 407,666           | 250,419         | 527,191,774        | 443,028,700             | 517,516,840        | 374,631,095                  | 10,279,499                | 12,871,946        | 2,592,447        | 10,991,010            |
| 152   | Building materials, garden supplies, and mobile home dealers                                   | 30,988            | 23,056          | 29,646,845         | 26,447,152              | 29,027,428         | 21,219,864                   | 954,429                   | 1,098,066         | 143,637          | 904,218               |
| 153   | Building materials dealers   | 13,993            | 10,959          | 20,781,518         | 19,115,447              | 20,409,927         | 15,036,056                   | 747,248                   | 811,013           | 63,765           | 682,637               |
| 154   | Hardware stores  | 10,329            | 7,558           | 4,371,973          | 3,973,904               | 4,298,239          | 2,897,243                    | 162,122                   | 183,561           | 21,439           | 145,164               |
| 155   | Garden supplies and mobile home dealers  | 6,666             | 4,539           | 4,493,354          | 3,357,801               | 4,319,262          | 3,286,565                    | 45,059                    | 103,492           | 58,433           | 76,417                |
| 156   | General merchandise stores   | 9,322             | 6,153           | 88,078,953         | 80,803,921              | 85,532,755         | 55,418,852                   | 2,816,513                 | 2,989,865         | 173,352          | 2,843,860             |
| 157   | Food stores  | 31,370            | 19,088          | 122,972,502        | 99,769,458              | 121,849,347        | 95,138,936                   | 1,335,727                 | 1,693,017         | 357,290          | 1,545,047             |
| 158   | Automotive dealers and service stations  | 70,693            | 45,970          | 139,211,010        | 115,034,933             | 137,139,090        | 116,064,036                  | 1,312,760                 | 1,748,490         | 435,730          | 1,401,033             |
| 159   | Motor vehicle dealers  | 33,449            | 23,540          | 108,071,993        | 91,692,417              | 106,475,387        | 91,766,431                   | 951,313                   | 1,195,730         | 244,417          | 969,400               |
| 160   | Gasoline service stations  | 15,861            | 9,035           | 17,229,966         | 12,107,172              | 17,010,855         | 14,416,718                   | 91,207                    | 171,158           | 79,951           | 130,062               |
| 161   | Other automotive dealers   | 21,383            | 13,395          | 13,909,051         | 11,235,344              | 13,652,848         | 9,880,887                    | 270,240                   | 381,602           | 111,362          | 301,571               |
| 162   | Apparel and accessory stores   | 38,497            | 24,572          | 23,094,251         | 19,537,913              | 22,559,848         | 13,403,782                   | 827,491                   | 1,060,523         | 233,032          | 884,555               |
| 163   | Furniture and home furnishings stores  | 33,410            | 21,755          | 20,990,310         | 16,838,168              | 20,292,358         | 13,077,552                   | 415,398                   | 599,107           | 183,709          | 472,337               |
| 164   | Eating and drinking places   | 84,964            | 44,262          | 35,697,594         | 27,397,212              | 34,897,091         | 15,416,410                   | 869,100                   | 1,421,008         | 551,908          | 1,042,755             |
| 165   | Miscellaneous retail stores  | 108,422           | 65,563          | 67,500,309         | 57,199,943              | 66,258,923         | 44,891,663                   | 1,748,081                 | 2,161,870         | 513,789          | 1,897,205             |
| 166   | Drug stores and proprietary stores   | 19,950            | 13,930          | 18,893,660         | 17,079,195              | 18,663,404         | 13,211,753                   | 502,617                   | 565,209           | 62,592           | 480,294               |
| 167   | Liquor stores  | 11,593            | 6,628           | 5,174,948          | 3,774,232               | 5,128,611          | 4,078,842                    | 70,665                    | 106,148           | 35,483           | 81,425                |
| 168   | Other retail stores  | 76,879            | 45,005          | 43,431,701         | 36,346,516              | 42,466,908         | 27,601,068                   | 1,174,799                 | 1,590,513         | 415,714          | 1,335,486             |
| 169   | Wholesale and retail trade not allocable   | 1,017             | *401            | 139,710            | *131,535                | 126,234            | 85,859                       | 2,623                     | *8,563            | *5,940           | *5,333                |
| 170   | <b>Finance, insurance, and real estate</b>   | <b>411,984</b>    | <b>246,789</b>  | <b>353,774,035</b> | <b>288,659,407</b>      | <b>180,325,093</b> | <b>91,445,496</b>            | <b>17,795,268</b>         | <b>23,540,814</b> | <b>5,745,546</b> | <b>16,613,972</b>     |
| 171   | Banking  | 14,705            | 12,173          | 94,472,753         | 74,966,135              | 11,316,427         | 1,462,796                    | 3,236,991                 | 4,390,808         | 1,153,817        | 3,987,518             |
| 172   | Mutual savings banks   | 460               | 426             | 9,525,424          | 8,586,303               | 296,344            | 32,522                       | 385,096                   | 415,668           | 30,572           | 255,491               |
| 173   | Bank holding companies   | 818               | 611             | 56,496,695         | 43,835,168              | 8,654,055          | 1,353,928                    | 1,779,110                 | 2,393,503         | 614,393          | 2,263,905             |
| 174   | Banks, except mutual savings banks and bank holding companies                                  | 13,427            | 11,136          | 28,450,516         | 22,544,664              | 2,366,028          | 76,346                       | 1,072,785                 | 1,581,637         | 508,852          | 1,468,122             |
| 175   | Credit agencies other than banks   | 49,804            | 32,056          | 47,469,958         | 43,310,880              | 11,366,452         | 5,293,429                    | 2,327,164                 | 2,945,298         | 618,134          | 2,734,804             |
| 176   | Savings and loan associations  | 4,702             | 4,343           | 29,091,718         | 27,083,969              | 1,740,153          | 1,335,926                    | 1,463,873                 | 1,297,947         | 1,416,663        | 1,416,663             |
| 177   | Personal credit institutions   | 4,082             | 3,094           | 7,893,289          | 7,316,538               | 6,059,502          | 3,667,957                    | 415,237                   | 483,941           | 68,704           | 446,580               |
| 178   | Business credit institutions   | 729               | 500             | 2,540,963          | 2,352,428               | 1,701,539          | 634,189                      | 225,148                   | 255,383           | 30,235           | 244,137               |
| 179   | Other credit agencies; finance not allocable   | 40,291            | 24,119          | 7,943,988          | 6,557,945               | 1,865,258          | 684,200                      | 350,853                   | 742,101           | 391,248          | 627,424               |
| 180   | Security, commodity brokers and services   | 3,852             | 2,336           | 7,918,033          | 7,490,497               | 3,380,083          | 221,912                      | 796,005                   | 858,607           | 62,602           | 763,903               |
| 181   | Security brokers and dealers   | 2,311             | 1,684           | 6,962,846          | 6,661,450               | 2,650,879          | 185,354                      | 747,898                   | 785,955           | 38,057           | 706,421               |
| 182   | Commodity contracts brokers and dealers; security and commodity exchanges; and allied services | 1,541             | 652             | 955,187            | 829,047                 | 729,204            | 36,558                       | 48,107                    | 72,652            | 24,545           | 57,482                |
| 183   | Insurance  | 8,116             | 6,093           | 156,040,480        | 127,926,571             | 127,483,260        | 75,506,913                   | 5,801,982                 | 6,736,616         | 934,634          | 5,255,680             |
| 184   | Life insurance   | 1,717             | 1,162           | 89,257,335         | 83,836,924              | 67,816,785         | 37,740,483                   | 4,835,650                 | 5,038,367         | 202,717          | 4,444,869             |
| 185   | Mutual insurance, except life or marine and certain fire or flood insurance companies          | 1,160             | 881             | 18,643,172         | 12,699,968              | 16,947,962         | 11,418,128                   | 102,617                   | 334,298           | 231,681          | 182,802               |
| 186   | Other insurance companies  | 5,219             | 4,050           | 48,139,973         | 31,389,679              | 42,718,513         | 26,348,302                   | 863,715                   | 1,363,951         | 500,236          | 628,009               |
| 187   | Insurance agents, brokers, and service   | 35,137            | 24,776          | 8,884,060          | 7,402,736               | 8,533,543          | 2,241,425                    | 687,729                   | 797,390           | 106,661          | 602,953               |
| 188   | Real estate  | 256,341           | 143,147         | 30,041,288         | 20,685,032              | 17,034,447         | 6,087,850                    | 1,265,590                 | 3,259,384         | 1,993,794        | 2,476,469             |
| 189   | Real estate operators and lessors of buildings   | 163,975           | 97,042          | 15,132,702         | 9,931,568               | 6,023,532          | 2,108,408                    | 958,790                   | 1,894,337         | 935,547          | 1,597,967             |
| 190   | Lessors of mining, oil, and similar property   | 523               | 161             | 367,698            | 341,038                 | 168,481            | 27,980                       | 97,624                    | 100,942           | *3,318           | 94,927                |
| 191   | Lessors of railroad property, and of real property, not elsewhere classified                   | 6,220             | 3,817           | 190,683            | 155,874                 | 33,393             | 9,633                        | 22,879                    | 57,459            | 34,580           | 51,577                |
| 192   | Condominium management and cooperative housing associations                                    | 3,760             | 890             | 362,360            | 78,392                  | 310,815            | 21,777                       | -30,770                   | 3,022             | 33,792           | 2,133                 |
| 193   | Subdividers and developers   | 23,886            | 11,304          | 4,662,760          | 3,222,646               | 2,045,563          | 1,170,895                    | -34,721                   | 621,653           | 656,374          | 403,558               |
| 194   | Other real estate  | 57,977            | 29,933          | 9,324,885          | 6,955,454               | 8,452,663          | 2,749,157                    | 251,788                   | 581,971           | 330,183          | 326,307               |
| 195   | Holding and other investment companies, except bank holding companies                          | 44,029            | 26,208          | 8,947,463          | 6,877,556               | 1,210,881          | 631,171                      | 3,679,807                 | 4,552,711         | 872,904          | 792,645               |
| 196   | Regulated investment companies   | 877               | 704             | 3,515,230          | 3,339,830               | 886                | —                            | 2,937,742                 | 2,943,522         | 5,780            | 245                   |
| 197   | Real estate investment trusts  | 268               | 91              | 1,257,172          | 429,432                 | 63,451             | *51,562                      | -329,225                  | 77,701            | 406,926          | *59                   |
| 198   | Small business investment companies  | 817               | 510             | 50,273             | 32,917                  | 2,667              | —                            | 1,267                     | 13,658            | 12,391           | 5,711                 |
| 199   | Other holding and investment companies, except bank holding companies                          | 42,067            | 24,903          | 4,124,788          | 3,075,377               | 1,143,877          | 579,609                      | 1,070,023                 | 1,517,830         | 447,807          | 786,630               |
| 200   | <b>Services</b>  | <b>466,317</b>    | <b>266,212</b>  | <b>150,157,645</b> | <b>116,182,996</b>      | <b>143,763,070</b> | <b>73,751,536</b>            | <b>4,320,445</b>          | <b>6,977,268</b>  | <b>2,656,823</b> | <b>5,185,160</b>      |
| 201   | Hotels and other lodging places  | 17,867            | 8,903           | 10,439,590         | 7,823,024               | 9,770,882          | 4,859,244                    | 136,939                   | 459,867           | 322,928          | 338,251               |
| 202   | Personal services  | 40,559            | 25,206          | 9,131,411          | 7,343,995               | 8,897,578          | 4,690,770                    | 371,649                   | 483,460           | 111,811          | 347,884               |
| 203   | Business services  | 111,386           | 64,065          | 44,112,885         | 34,030,497              | 42,299,900         | 24,787,083                   | 1,362,032                 | 2,130,027         | 767,995          | 1,624,241             |
| 204   | Advertising  | 14,239            | 8,845           | 11,653,325         | 9,646,179               | 11,467,231         | 8,379,433                    | 384,144                   | 440,049           | 55,905           | 392,386               |
| 205   | Business services, except advertising  | 97,147            | 55,220          | 32,459,560         | 24,384,318              | 30,832,669         | 16,407,650                   | 977,888                   | 1,689,978         | 712,090          | 1,231,855             |
| 206   | Auto repair, miscellaneous repair services   | 57,258            | 32,934          | 15,738,807         | 12,466,296              | 15,067,844         | 8,078,080                    | 497,840                   | 700,878           | 203,038          | 550,934               |
| 207   | Auto repair and services   | 38,931            | 22,451          | 11,928,203         | 9,417,188               | 11,295,924         | 5,703,113                    | 363,625                   | 510,204           | 146,037          | 392,087               |
| 208   | Miscellaneous repair services  | 18,327            | 10,483          | 3,810,604          | 3,049,108               | 3,771,920          | 2,374,967                    | 134,213                   | 190,674           | 56,461           | 158,847               |
| 209   | Amusement and recreation services  | 39,307            | 20,364          | 18,315,957         | 15,187,334              | 16,819,485         | 8,878,222                    | 806,410                   | 1,220,955         | 414,545          | 907,629               |
| 210   | Motion picture production, distribution, and services  | 5,572             | 2,854           | 5,775,014          | 5,439,359               | 5,194,524          | 2,727,736                    | 379,347                   | 420,616           | 41,269           | 295,946               |
| 211   | Motion picture theaters  | 3,638             | 1,980           | 2,474,186          | 1,703,231               | 2,302,607          | 1,216,644                    | 37,214                    | 98,257            | 61,043           | 79,693                |
| 212   | Amusement and recreation services, except motion pictures                                      | 30,097            | 15,530          | 10,066,757         | 8,044,744               | 9,322,354          | 4,933,842                    | 389,849                   | 702,082           | 312,233          | 531,990               |
| 213   | Other services   | 199,940           | 114,740         | 52,418,995         | 39,331,850              | 50,907,381         | 22,458,137                   | 1,145,575                 | 1,982,081         | 836,506          | 1,416,221             |
| 214   | Offices of physicians, including osteopathic physicians  | 54,229            | 40,274          | 14,728,530         | 11,404,458              | 14,623,774         | 3,489,635                    | 296,004                   | 375,742           | 79,738           | 339,177               |
| 215   | Offices of dentists  | 16,679            | 12,684          | 3,288,851          | 2,536,680               | 3,273,493          | 992,312                      | 66,020                    | 78,015            | 11,995           | 71,356                |
| 216   | Nursing and personal care facilities   | 6,514             | 4,797           | 5,096,288          | 3,991,965               | 4,918,402          | 3,103,755                    | 151,410                   | 228,932           | 77,522           | 139,647               |
| 217   | Medical laboratories   | 3,444             | 1,715           | 834,262            | 639,814                 | 810,297            | 439,861                      | 12,556                    | 40,401            | 27,845           | 20,255                |
| 218   | Other medical services   | 10,874            | 6,469           | 6,355,148          | 4,941,478               | 6,179,515          | 3,451,319                    | 154,544                   | 230,864           | 76,320           | 177,526               |
| 219   | Legal services   | 11,578            | 8,224           | 2,728,788          | 2,125,971               | 2,699,209          | 397,077                      | 61,742                    | 82,420            | 20,678           | 50,190                |
| 220   | Educational services   | 9,525             | 4,164           | 1,983,204          | 1,376,859               | 1,910,414          | 901,469                      | 40,244                    | 93,509            | 53,265           | 64,857                |
| 221   | Miscellaneous services, not elsewhere classified   | 87,097            | 36,413          | 17,403,924         | 12,314,625              | 16,492,277         | 9,682,709                    | 363,055                   | 852,198           | 489,143          | 553,213               |
| 222   | <b>Nature of business not allocable</b>  | <b>2,825</b>      | <b>1,594</b>    | <b>1,356,346</b>   | <b>1,116,869</b>        | <b>1,319,895</b>   | <b>910,136</b>               | <b>17,401</b>             | <b>50,045</b>     | <b>32,644</b>    | <b>38,007</b>         |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.—Number of Returns, Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Foreign Tax and Investment Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, and Depreciation Deduction, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|    | Minor industry  | Total income tax | Foreign tax credit | Investment credit | Total income tax after credits | Distributions to stockholders except in own stock |                         | Total assets  | Net worth     | Depreciable assets | Depreciation deduction |
|----|---|------------------|--------------------|-------------------|--------------------------------|---|-------------------------|---------------|---------------|--------------------|------------------------|
|    |   |                  |                    |                   |                                | All returns                                       | Returns with net income |               |               |                    |                        |
|    |   | (11)             | (12)               | (13)              | (14)                           | (15)  | (16)                    | (17)          | (18)          | (19)               | (20)                   |
| 1  | Total returns of active corporations .....  | 83,291,815       | 23,578,926         | 9,152,712         | 49,847,396                     | 54,644,375  | 51,709,325              | 4,720,938,670 | 1,207,317,461 | 1,382,572,361      | 93,761,989             |
| 2  | Agriculture, forestry, and fishing .....  | 353,451          | 9,528              | 66,335            | 277,520                        | 217,307   | 212,407                 | 23,803,530    | 7,893,503     | 14,273,672         | 1,220,019              |
| 3  | Agricultural production .....   | 293,873          | 9,486              | 54,271            | 230,048                        | 171,414   | 166,571                 | 20,666,971    | 6,866,649     | 11,639,380         | 977,882                |
| 4  | Agricultural services, forestry, and fishing .....  | 59,578           | 42                 | 12,064            | 47,472                         | 45,893  | 45,836                  | 3,136,559     | 1,026,854     | 2,634,292          | 242,137                |
| 5  | Mining .....  | 14,549,609       | 13,348,618         | 215,251           | 985,699                        | 4,088,323   | 4,028,304               | 76,701,653    | 37,958,193    | 38,389,891         | 2,548,922              |
| 6  | Metal mining .....  | 72,722           | 18,896             | 10,942            | 42,876                         | 118,703   | 97,451                  | 10,480,670    | 6,044,395     | 5,218,707          | 296,107                |
| 7  | Iron ores .....   | 41,733           | 11,355             | 4,866             | 25,505                         | 18,014  | 18,014                  | 2,738,464     | 1,251,517     | 1,465,135          | 87,022                 |
| 8  | Copper, lead and zinc, gold and silver ores .....   | 20,659           | 4,317              | 3,488             | 12,853                         | 95,127  | 73,942                  | 6,814,320     | 4,444,438     | 3,293,871          | 175,638                |
| 9  | Other metal mining .....  | 10,330           | 3,224              | 2,588             | 4,518                          | 5,562   | 5,495                   | 927,886       | 348,440       | 439,701            | 33,447                 |
| 10 | Coal mining .....   | 485,634          | 114,861            | 74,241            | 296,503                        | 334,306   | 326,074                 | 10,641,537    | 5,202,235     | 7,010,146          | 737,195                |
| 11 | Oil and gas extraction .....  | 13,855,882       | 13,192,009         | 98,101            | 565,772                        | 3,350,398   | 3,475,332               | 49,084,671    | 23,134,002    | 20,846,028         | 1,141,777              |
| 12 | Crude petroleum, natural gas, and natural gas liquids .....                                 | 13,269,246       | 12,890,245         | 49,514            | 329,487                        | 3,340,815   | 3,321,375               | 37,911,155    | 18,702,695    | 14,845,803         | 552,287                |
| 13 | Oil and gas field services .....  | 586,636          | 301,764            | 48,587            | 236,285                        | 162,583   | 153,957                 | 11,173,516    | 4,431,307     | 6,000,225          | 589,490                |
| 14 | Nonmetallic minerals, except fuels .....  | 135,371          | 22,852             | 31,967            | 80,548                         | 131,914   | 129,447                 | 6,494,775     | 3,577,561     | 5,315,010          | 373,843                |
| 15 | Dimension, crushed, and broken stone; sand and gravel .....                                 | 71,578           | *271               | 22,329            | 48,977                         | 52,512  | 50,045                  | 3,217,333     | 1,811,682     | 3,130,412          | 251,420                |
| 16 | Other nonmetallic minerals, except fuels .....  | 63,793           | *22,581            | 9,638             | 31,571                         | 79,402  | 79,402                  | 3,277,442     | 1,765,879     | 2,184,598          | 122,423                |
| 17 | Construction .....  | 1,511,654        | 97,577             | 170,803           | 1,241,983                      | 514,107   | 463,623                 | 80,759,509    | 20,520,616    | 30,068,672         | 2,867,241              |
| 18 | General building contractors and operative builders .....                                   | 525,666          | 29,310             | 38,132            | 458,170                        | 170,238   | 150,240                 | 41,272,832    | 7,130,200     | 9,815,751          | 807,423                |
| 19 | General building contractors .....  | 455,455          | 29,304             | 35,402            | 390,695                        | 160,410   | 143,065                 | 36,429,105    | 6,594,461     | 8,974,813          | 757,374                |
| 20 | Operative builders .....  | 70,211           | *6                 | 2,730             | 67,475                         | 9,828   | 7,175                   | 4,843,727     | 535,739       | 840,938            | 50,049                 |
| 21 | Heavy construction contractors .....  | 556,893          | 64,304             | 86,649            | 404,775                        | 168,510   | 156,000                 | 18,024,977    | 6,813,537     | 11,818,327         | 1,108,569              |
| 22 | Special trade contractors .....   | 429,095          | 3,963              | 46,022            | 379,038                        | 175,359   | 157,383                 | 21,461,700    | 6,576,879     | 8,434,594          | 951,249                |
| 23 | Plumbing, heating, and air conditioning .....   | 98,882           | *93                | 7,273             | 91,502                         | 20,257  | 19,352                  | 5,688,026     | 1,665,791     | 1,413,245          | 158,437                |
| 24 | Electrical work .....   | 80,167           | *1,203             | 6,041             | 72,920                         | 40,479  | 29,813                  | 4,036,549     | 1,236,467     | 1,170,371          | 136,935                |
| 25 | Other special trade contractors and contractors not allocable .....                         | 250,046          | *2,667             | 32,708            | 214,616                        | 114,623   | 108,218                 | 11,737,125    | 3,674,621     | 5,850,978          | 655,877                |
| 26 | Manufacturing .....   | 41,452,853       | 8,388,111          | 4,150,832         | 28,244,219                     | 22,884,452  | 22,241,820              | 1,034,602,790 | 478,748,780   | 541,268,524        | 37,774,304             |
| 27 | Food and kindred products .....   | 3,580,397        | 361,028            | 331,343           | 2,845,102                      | 1,794,195   | 1,750,437               | 81,579,230    | 39,919,492    | 41,273,791         | 3,072,133              |
| 28 | Meat products .....   | 328,442          | 8,875              | 45,702            | 273,164                        | 172,482   | 140,860                 | 11,276,584    | 4,386,029     | 5,794,145          | 551,513                |
| 29 | Dairy products .....  | 495,867          | 61,214             | 37,343            | 396,871                        | 252,933   | 252,728                 | 10,081,712    | 4,971,036     | 5,295,370          | 403,346                |
| 30 | Preserved fruits and vegetables .....   | 356,225          | 53,919             | 24,320            | 277,826                        | 202,618   | 202,273                 | 10,870,489    | 5,681,922     | 4,218,244          | 273,128                |
| 31 | Grain mill products .....   | 542,942          | 77,058             | 44,764            | 420,567                        | 314,883   | 314,311                 | 9,588,440     | 4,668,199     | 5,178,488          | 341,139                |
| 32 | Bakery products .....   | 206,096          | *6,631             | 18,093            | 181,357                        | 88,979  | 88,175                  | 3,998,880     | 1,997,535     | 2,686,525          | 194,120                |
| 33 | Sugar and confectionery products .....  | 188,192          | 6,734              | 21,807            | 159,606                        | 82,760  | 78,737                  | 5,885,668     | 2,934,679     | 3,085,753          | 181,612                |
| 34 | Malt liquors and malt .....   | 171,173          | *56                | 39,119            | 131,644                        | 73,760  | 73,760                  | 4,181,659     | 2,382,507     | 3,864,660          | 271,446                |
| 35 | Alcoholic beverages, except malt liquors and malt .....                                     | 205,407          | *5,450             | 13,943            | 178,210                        | 102,265   | 102,110                 | 8,161,773     | 3,646,237     | 2,163,723          | 141,870                |
| 36 | Bottled soft drinks, and flavorings .....   | 567,600          | 92,969             | 42,739            | 416,435                        | 309,165   | 307,481                 | 7,207,623     | 4,224,995     | 4,221,360          | 391,864                |
| 37 | Other food and kindred products .....   | 518,453          | 48,122             | 43,513            | 409,422                        | 194,350   | 190,002                 | 10,326,402    | 5,026,353     | 4,765,523          | 322,095                |
| 38 | Tobacco manufactures .....  | 790,865          | 132,874            | 46,790            | 604,401                        | 116,975   | **                      | 18,082,738    | 9,459,270     | 4,612,959          | 310,048                |
| 39 | Textile mill products .....   | 623,324          | 7,737              | 79,628            | 535,162                        | 198,196   | 192,339                 | 18,678,554    | 9,213,297     | 12,705,853         | 885,057                |
| 40 | Weaving mills and textile finishing .....   | 318,111          | 1,917              | 52,801            | 263,329                        | 111,819   | 109,437                 | 9,433,925     | 5,042,495     | 7,301,871          | 492,686                |
| 41 | Knitting mills .....  | 93,504           | *303               | 9,183             | 83,652                         | 18,900  | 17,949                  | 2,875,416     | 1,271,349     | 1,726,955          | 128,885                |
| 42 | Other textile mill products .....   | 211,709          | 5,517              | 17,644            | 188,181                        | 67,477  | 64,953                  | 6,369,213     | 2,899,453     | 3,677,027          | 263,486                |
| 43 | Apparel and other textile products .....  | 608,402          | 16,744             | 25,532            | 551,203                        | 188,143   | 184,169                 | 15,216,069    | 7,023,829     | 3,904,575          | 314,041                |
| 44 | Men's and boys' clothing .....  | 289,523          | 8,574              | 11,121            | 267,243                        | 62,913  | 61,741                  | 5,955,422     | 2,890,638     | 1,411,113          | 112,206                |
| 45 | Women's and children's clothing .....   | 219,601          | 6,206              | 8,849             | 194,659                        | 101,830   | 99,266                  | 6,542,013     | 2,839,672     | 1,670,093          | 132,281                |
| 46 | Other apparel and accessories .....   | 27,504           | *226               | 1,953             | 24,437                         | 16,057  | 15,823                  | 896,756       | 430,240       | 233,613            | 22,142                 |
| 47 | Miscellaneous fabricated textile products; textile products, not elsewhere classified ..... | 71,774           | *1,738             | 3,609             | 64,864                         | 7,343   | 7,339                   | 1,821,876     | 863,279       | 589,756            | 47,412                 |
| 48 | Lumber and wood products .....  | 707,442          | 37,900             | 134,126           | 535,312                        | 445,896   | 440,829                 | 26,749,927    | 12,286,208    | 16,129,413         | 1,245,709              |
| 49 | Logging, sawmills, and planing mills .....  | 293,468          | *32,738            | 71,191            | 189,493                        | 210,494   | 209,389                 | 12,090,983    | 5,965,672     | 7,664,948          | 587,053                |
| 50 | Millwork, plywood, and related products .....   | 285,822          | 4,587              | 49,197            | 232,000                        | 183,017   | 180,047                 | 9,468,769     | 4,381,663     | 5,990,033          | 476,687                |
| 51 | Other wood products, including wood buildings and mobile homes .....                        | 128,152          | 575                | 13,738            | 113,819                        | 52,385  | 51,393                  | 5,190,175     | 1,938,873     | 2,474,432          | 181,969                |
| 52 | Furniture and fixtures .....  | 258,168          | 3,723              | 15,801            | 238,537                        | 66,354  | 65,167                  | 6,253,594     | 3,116,522     | 2,816,191          | 206,366                |
| 53 | Paper and allied products .....   | 1,312,898        | 155,679            | 186,522           | 969,951                        | 879,817   | 870,790                 | 31,205,484    | 16,731,868    | 23,981,150         | 1,610,901              |
| 54 | Pulp, paper, and board mills .....  | 563,448          | 72,281             | 113,267           | 377,855                        | 452,327   | 447,275                 | 17,572,883    | 8,928,816     | 14,098,733         | 883,460                |
| 55 | Other paper products .....  | 749,450          | 83,398             | 73,255            | 592,096                        | 427,490   | 423,515                 | 13,632,601    | 7,803,052     | 9,882,417          | 727,441                |
| 56 | Printing and publishing .....   | 1,554,925        | 52,313             | 97,684            | 1,404,129                      | 679,124   | 674,144                 | 30,000,572    | 15,320,271    | 14,817,924         | 1,161,846              |
| 57 | Newspapers .....  | 768,815          | 8,998              | 34,588            | 725,151                        | 342,779   | 342,294                 | 11,582,996    | 6,996,204     | 6,064,601          | 480,931                |
| 58 | Periodicals .....   | 133,827          | 19,275             | 15,637            | 98,910                         | 69,693  | 69,669                  | 3,549,034     | 1,389,589     | 1,429,833          | 115,456                |
| 59 | Books, greeting cards, and miscellaneous publishing .....                                   | 325,027          | 21,216             | 12,013            | 291,780                        | 135,013   | 134,356                 | 6,763,543     | 2,939,212     | 1,902,142          | 161,757                |
| 60 | Commercial and other printing and printing trade services .....                             | 327,256          | 2,824              | 35,446            | 288,288                        | 131,639   | 127,825                 | 8,104,999     | 3,995,266     | 5,421,348          | 403,702                |
| 61 | Chemicals and allied products .....   | 5,152,333        | 811,433            | 616,229           | 3,339,148                      | 3,059,907   | 2,960,205               | 96,515,758    | 50,257,255    | 62,398,895         | 4,430,009              |
| 62 | Industrial chemicals, plastics materials and synthetics .....                               | 2,188,808        | 303,108            | 460,309           | 1,376,470                      | 1,278,833   | 1,251,392               | 49,426,230    | 24,502,343    | 41,895,740         | 2,946,609              |
| 63 | Drugs .....   | 1,544,190        | 248,081            | 69,535            | 897,884                        | 984,460   | 957,244                 | 22,849,606    | 13,597,632    | 8,277,328          | 574,475                |
| 64 | Soap, cleaners, and toilet goods .....  | 922,497          | 185,718            | 24,796            | 704,690                        | 497,454   | 497,454                 | 9,847,933     | 5,960,376     | 3,547,176          | 265,852                |
| 65 | Paints and allied products .....  | 110,704          | 5,294              | 7,664             | 97,652                         | 47,090  | 40,552                  | 2,317,791     | 1,213,222     | 1,065,754          | 82,857                 |
| 66 | Agricultural and other chemical products .....  | 386,134          | 69,232             | 53,295            | 262,452                        | 252,070   | 213,563                 | 12,074,198    | 6,983,682     | 7,612,897          | 560,216                |
| 67 | Petroleum (including integrated) and coal products .....                                    | 8,417,860        | 4,092,822          | 1,042,337         | 3,266,856                      | 5,239,066   | 5,179,722               | 190,076,644   | 85,515,901    | 101,527,205        | 4,719,811              |
| 68 | Petroleum refining (including integrated) .....   | 8,336,411        | 4,090,005          | 1,031,671         | 3,198,892                      | 5,208,652   | 5,149,308               | 188,430,775   | 84,642,461    | 100,465,503        | 4,635,342              |
| 69 | Petroleum and coal products, not elsewhere classified .....                                 | 81,449           | *2,817             | 10,666            | 67,964                         | 30,414  | 30,414                  | 1,645,869     | 873,440       | 1,061,702          | 84,469                 |
| 70 | Rubber and miscellaneous plastics products .....  | 553,082          | 62,962             | 61,121            | 428,072                        | 282,412   | 281,234                 | 18,737,445    | 8,267,654     | 10,752,549         | 869,167                |
| 71 | Rubber products; plastics footwear, hose and belting .....                                  | 361,252          | 60,545             | 37,728            | 262,672                        | 235,123   | 234,511                 | 14,003,086    | 6,191,115     | 7,897,762          | 602,804                |
| 72 | Miscellaneous plastics products .....   | 191,830          | 2,417              | 23,393            | 165,400                        | 47,289  | 46,723                  | 4,734,359     | 2,076,539     | 2,854,787          | 266,363                |
| 73 | Leather and leather products .....  | 199,591          | 3,464              | 9,106             | 185,903                        | 83,623  | 82,424                  | 5,040,981     | 2,471,348     | 1,601,677          | 117,918                |
| 74 | Footwear, except rubber .....   | 142,457          | *2,503             | 5,140             | 134,431                        | 69,252  | 68,869                  | 3,554,034     | 1,717,448     | 1,105,397          | 82,096                 |
| 75 | Leather and leather products, not elsewhere classified .....                                | 57,134           | *961               | 3,966             | 51,472                         | 14,371  | 13,555                  | 1,486,947     | 753,900       | 496,280            | 35,822                 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.—Number of Returns, Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Foreign Tax and Investment Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, and Depreciation Deduction, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|                                | Minor industry   | Total income tax | Foreign tax credit | Investment credit | Total income tax after credits | Distributions to stockholders except in own stock |                         | Total assets       | Net worth          | Depreciable assets | Depreciation deduction |
|--------------------------------|--|------------------|--------------------|-------------------|--------------------------------|---|-------------------------|--------------------|--------------------|--------------------|------------------------|
|                                |  |                  |                    |                   |                                | All returns                                       | Returns with net income |                    |                    |                    |                        |
|                                |  | (11)             | (12)               | (13)              | (14)                           | (15)  | (16)                    | (17)               | (18)               | (19)               | (20)                   |
| <b>Manufacturing—Continued</b> |  |                  |                    |                   |                                |   |                         |                    |                    |                    |                        |
| 76                             | Stone, clay, and glass products  | 793,822          | 82,950             | 101,574           | 606,203                        | 441,577   | 423,841                 | 24,594,786         | 12,312,373         | 18,949,214         | 1,302,444              |
| 77                             | Glass products   | 354,694          | 40,905             | 43,896            | 269,197                        | 169,305   | 169,173                 | 8,124,863          | 4,163,423          | 5,998,972          | 434,769                |
| 78                             | Cement, hydraulic  | 54,674           | *287               | 12,722            | 41,665                         | 60,656  | 48,268                  | 3,462,751          | 1,689,346          | 3,103,992          | 168,474                |
| 79                             | Concrete, gypsum, and plaster products   | 147,920          | *8,920             | 26,312            | 112,590                        | 100,116   | 96,949                  | 6,730,072          | 3,106,870          | 5,709,174          | 414,229                |
| 80                             | Other nonmetallic mineral products   | 236,534          | 32,838             | 18,644            | 182,751                        | 111,500   | 109,451                 | 6,277,100          | 3,352,734          | 4,137,076          | 284,972                |
| 81                             | Primary metal industries   | 1,195,076        | 238,438            | 160,098           | 796,380                        | 1,253,866   | 1,043,393               | 88,465,062         | 41,914,853         | 66,298,820         | 3,351,266              |
| 82                             | Ferrous metal industries; miscellaneous  |                  |                    |                   |                                |   |                         |                    |                    |                    |                        |
|                                | primary metal products   | 769,935          | 108,821            | 117,518           | 543,477                        | 736,398   | 618,182                 | 46,971,332         | 24,055,373         | 45,647,201         | 2,290,948              |
| 83                             | Nonferrous metal industries  | 425,141          | 129,617            | 42,580            | 252,903                        | 517,468   | 425,211                 | 41,493,730         | 17,859,480         | 20,651,619         | 1,060,318              |
| 84                             | Fabricated metal products  | 2,005,555        | 128,985            | 141,799           | 1,728,406                      | 638,261   | 630,940                 | 42,289,775         | 20,656,483         | 21,834,550         | 1,663,251              |
| 85                             | Metal cans and shipping containers   | 202,001          | *18,489            | 23,260            | 154,951                        | 115,765   | 115,692                 | 5,316,016          | 2,619,500          | 3,370,413          | 257,143                |
| 86                             | Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products | 334,065          | 34,954             | 18,227            | 280,654                        | 137,169   | 136,681                 | 5,817,597          | 3,246,218          | 3,069,169          | 244,637                |
| 87                             | Plumbing and heating, except electric and warm air                                     | 207,757          | 28,807             | 9,889             | 169,905                        | 56,337  | 56,160                  | 3,483,589          | 1,833,920          | 1,566,433          | 107,300                |
| 88                             | Fabricated structural metal products   | 472,777          | 27,115             | 27,560            | 418,015                        | 137,322   | 134,498                 | 11,256,865         | 4,841,855          | 5,021,610          | 381,660                |
| 89                             | Metal forgings and stampings   | 242,983          | 4,614              | 22,092            | 216,101                        | 40,844  | 40,265                  | 4,233,666          | 2,171,181          | 2,598,153          | 186,264                |
| 90                             | Coating, engraving, and allied services  | 47,598           | *265               | 7,296             | 39,984                         | 15,923  | 15,223                  | 1,558,809          | 642,598            | 1,025,174          | 81,989                 |
| 91                             | Ordinance and accessories, except vehicles and guided missiles                         | 29,461           | *108               | 2,272             | 27,077                         | 13,762  | 13,618                  | 665,147            | 319,055            | 344,283            | 25,427                 |
| 92                             | Miscellaneous fabricated metal products  | 468,913          | 14,633             | 32,103            | 421,719                        | 121,139   | 118,103                 | 9,958,086          | 4,982,156          | 4,839,315          | 378,831                |
| 93                             | Machinery, except electrical   | 4,649,194        | 1,079,397          | 308,694           | 3,254,546                      | 2,395,858   | 2,368,281               | 102,684,333        | 47,796,906         | 42,420,096         | 4,036,416              |
| 94                             | Farm machinery   | 304,656          | 23,751             | 21,746            | 259,136                        | 87,899  | 85,981                  | 8,185,965          | 3,046,103          | 2,344,117          | 200,823                |
| 95                             | Construction and related machinery   | 947,489          | 114,743            | 88,256            | 743,755                        | 462,844   | 460,645                 | 18,709,911         | 8,652,448          | 8,271,140          | 809,316                |
| 96                             | Metalworking machinery   | 242,111          | 18,442             | 23,185            | 200,334                        | 76,152  | 73,486                  | 6,623,921          | 3,317,843          | 3,846,227          | 283,446                |
| 97                             | Special industry machinery   | 247,648          | 26,813             | 15,349            | 205,377                        | 80,627  | 77,715                  | 5,890,295          | 2,812,097          | 2,184,222          | 163,684                |
| 98                             | General industrial machinery   | 402,428          | 50,422             | 23,004            | 328,960                        | 141,757   | 130,463                 | 9,565,566          | 4,653,344          | 4,010,267          | 282,690                |
| 99                             | Office and computing machines  | 2,160,182        | 820,889            | 113,743           | 1,225,519                      | 1,440,150   | 1,433,908               | 44,838,961         | 21,389,884         | 17,925,683         | 1,974,124              |
| 100                            | Other machinery, except electrical   | 344,680          | 24,337             | 23,411            | 291,465                        | 106,429   | 106,083                 | 8,669,714          | 3,925,187          | 3,838,440          | 322,333                |
| 101                            | Electrical and electronic equipment  | 2,878,589        | 454,859            | 280,424           | 1,994,335                      | 1,429,957   | 1,401,955               | 84,312,312         | 34,235,787         | 31,823,169         | 3,120,209              |
| 102                            | Household appliances   | 335,623          | 26,167             | 13,448            | 295,971                        | 216,980   | 209,719                 | 6,877,001          | 3,337,813          | 2,745,801          | 230,149                |
| 103                            | Radio, television, and communication equipment   | 658,085          | 234,400            | 72,165            | 339,675                        | 376,710   | 376,435                 | 23,768,620         | 8,357,591          | 7,049,297          | 824,324                |
| 104                            | Electronic components and accessories  | 617,568          | 50,453             | 50,686            | 451,620                        | 151,375   | 133,519                 | 17,645,833         | 8,017,686          | 6,123,750          | 600,454                |
| 105                            | Other electrical equipment   | 1,267,313        | 143,839            | 144,125           | 907,068                        | 684,892   | 682,282                 | 36,020,858         | 14,522,697         | 15,904,321         | 1,465,282              |
| 106                            | Motor vehicles and equipment   | 3,711,958        | 405,462            | 290,795           | 3,012,892                      | 2,240,921   | 2,240,671               | 90,155,994         | 32,509,553         | 34,936,228         | 3,231,929              |
| 107                            | Transportation equipment, except motor vehicles  | 760,175          | 49,534             | 105,088           | 605,340                        | 441,774   | 354,436                 | 33,455,298         | 12,986,347         | 14,723,488         | 1,011,228              |
| 108                            | Aircraft, guided missiles and parts  | 529,777          | 36,847             | 85,749            | 406,979                        | 368,295   | 368,456                 | 25,451,209         | 9,473,031          | 11,576,673         | 756,109                |
| 109                            | Ship and boat building and repairing   | 70,360           | *1,024             | 7,828             | 61,504                         | 25,690  | 21,763                  | 4,578,348          | 2,097,596          | 1,291,823          | 105,281                |
| 110                            | Other transportation equipment, except motor vehicles                                  | 160,038          | 11,663             | 11,511            | 138,857                        | 47,789  | 46,217                  | 3,425,741          | 1,415,720          | 1,854,992          | 149,838                |
| 111                            | Instruments and related products   | 1,153,533        | 170,421            | 85,356            | 881,586                        | 565,937   | 547,911                 | 17,840,671         | 10,745,637         | 9,040,806          | 715,580                |
| 112                            | Scientific instruments and measuring devices; watches and clocks                       | 270,290          | 23,101             | 13,241            | 231,909                        | 71,958  | 69,179                  | 5,770,220          | 2,999,445          | 2,133,341          | 180,200                |
| 113                            | Optical, medical, and ophthalmic goods   | 346,266          | 45,457             | 18,467            | 268,399                        | 131,708   | 126,427                 | 6,032,447          | 3,671,530          | 2,347,256          | 197,665                |
| 114                            | Photographic equipment and supplies  | 536,977          | *101,863           | 53,828            | 381,278                        | 362,271   | 352,305                 | 6,038,004          | 4,074,662          | 4,560,209          | 337,715                |
| 115                            | Miscellaneous manufacturing and manufacturing not allocable                            | 545,664          | 39,386             | 30,605            | 460,755                        | 142,593   | **                      | 12,667,563         | 6,007,926          | 4,719,971          | 398,975                |
| 116                            | <b>Transportation and public utilities</b>   | <b>7,143,518</b> | <b>116,939</b>     | <b>3,234,961</b>  | <b>3,773,796</b>               | <b>10,797,172</b>                                 | <b>10,463,132</b>       | <b>486,241,965</b> | <b>195,941,447</b> | <b>471,540,941</b> | <b>24,936,217</b>      |
| 117                            | Transportation   | 1,545,376        | 51,125             | 429,563           | 1,064,472                      | 1,162,560   | 1,127,071               | 115,783,975        | 42,469,765         | 49,101,092         | 5,949,288              |
| 118                            | Railroad transportation  | 371,281          | 7,035              | 160,767           | 203,431                        | 562,550   | 562,548                 | 48,851,953         | 19,577,178         | 40,165,423         | 1,419,719              |
| 119                            | Local and interurban passenger transit   | 23,621           | *(1)               | 7,534             | 16,067                         | 14,487  | 13,218                  | 1,379,460          | 534,673            | 1,265,537          | 151,539                |
| 120                            | Trucking and warehousing   | 553,169          | 9,613              | 107,325           | 436,206                        | 164,036   | 161,191                 | 21,463,752         | 8,880,419          | 16,848,248         | 1,723,491              |
| 121                            | Water transportation   | 127,089          | 13,518             | 24,750            | 88,807                         | 92,114  | 71,454                  | 9,357,182          | 2,990,896          | 6,759,824          | 429,302                |
| 122                            | Transportation by air  | 181,362          | 8,546              | 90,717            | 82,095                         | 71,022  | 66,428                  | 19,862,516         | 6,214,740          | 19,575,544         | 1,606,623              |
| 123                            | Pipe lines, except natural gas   | 192,485          | *1,451             | 25,099            | 165,935                        | 171,284   | 166,776                 | 5,366,878          | 1,183,018          | 4,105,825          | 203,930                |
| 124                            | Transportation services, not elsewhere classified                                      | 96,369           | 10,962             | 13,371            | 71,931                         | 87,067  | 85,456                  | 9,502,234          | 2,908,841          | 5,298,891          | 414,684                |
| 125                            | Communication  | 2,486,484        | 42,942             | 1,249,103         | 1,176,378                      | 3,370,347   | 3,363,375               | 133,073,471        | 58,219,997         | 131,469,804        | 9,266,406              |
| 126                            | Telephone, telegraph, and other communication services                                 | 2,012,191        | *19,427            | 1,221,123         | 753,582                        | 3,220,347   | 3,218,170               | 124,926,894        | 54,573,826         | 127,819,635        | 8,901,533              |
| 127                            | Radio and television broadcasting  | 474,293          | 23,515             | 27,980            | 422,796                        | 150,000   | 145,205                 | 8,146,577          | 3,646,171          | 3,650,169          | 364,873                |
| 128                            | Electric, gas, and sanitary services   | 3,111,658        | 22,326             | 1,556,295         | 1,532,946                      | 6,264,265   | 5,972,686               | 237,384,519        | 95,251,685         | 246,052,045        | 9,720,523              |
| 129                            | Electric services  | 987,256          | *264               | 667,923           | 319,062                        | 2,876,123   | 2,822,858               | 101,008,400        | 40,438,652         | 109,230,073        | 4,262,287              |
| 130                            | Gas production and distribution  | 1,273,681        | 21,443             | 285,857           | 966,313                        | 1,172,476   | 1,170,581               | 54,792,904         | 19,907,759         | 50,550,868         | 2,117,201              |
| 131                            | Combination utility services   | 758,458          | *296               | 578,459           | 179,693                        | 2,156,229   | 1,919,914               | 76,168,679         | 32,907,095         | 80,965,493         | 3,062,303              |
| 132                            | Water supply and other sanitary services   | 92,263           | *323               | 24,056            | 67,878                         | 59,437  | 59,333                  | 5,414,536          | 1,998,179          | 5,305,611          | 278,732                |
| 133                            | <b>Wholesale and retail trade</b>  | <b>9,144,428</b> | <b>688,894</b>     | <b>674,450</b>    | <b>7,762,640</b>               | <b>5,402,867</b>                                  | <b>5,257,261</b>        | <b>368,793,060</b> | <b>139,281,143</b> | <b>110,238,392</b> | <b>9,839,550</b>       |
| 134                            | Wholesale trade  | 4,644,650        | 605,050            | 267,435           | 3,762,258                      | 3,326,523   | 3,257,205               | 190,248,638        | 74,085,412         | 40,871,863         | 3,802,234              |
| 135                            | Groceries and related products   | 401,714          | 3,124              | 35,818            | 362,639                        | 193,660   | 180,911                 | 16,519,917         | 5,555,867          | 5,344,502          | 497,651                |
| 136                            | Machinery, equipment, and supplies   | 841,138          | 10,425             | 53,364            | 777,226                        | 934,249   | 930,118                 | 32,887,825         | 13,901,824         | 6,230,650          | 745,327                |
| 137                            | Miscellaneous wholesale trade  | 3,401,798        | 591,501            | 178,253           | 2,622,393                      | 2,198,614   | 2,146,176               | 140,840,896        | 54,627,721         | 29,296,711         | 2,559,256              |
| 138                            | Motor vehicles and automotive equipment  | 344,272          | 1,906              | 14,728            | 327,627                        | 145,238   | 139,110                 | 12,865,904         | 4,919,990          | 2,210,950          | 207,199                |
| 139                            | Lumber and construction materials  | 169,145          | *43                | 10,118            | 158,977                        | 93,984  | 81,406                  | 7,277,834          | 2,680,035          | 1,726,727          | 145,302                |
| 140                            | Metals and minerals, except petroleum and scrap  | 217,972          | 1,691              | 12,887            | 203,792                        | 159,119   | 156,179                 | 8,576,270          | 3,051,053          | 1,623,853          | 149,621                |
| 141                            | Electrical goods   | 280,759          | 3,883              | 10,140            | 266,711                        | 250,551   | 249,347                 | 10,142,625         | 4,368,741          | 1,358,231          | 130,319                |
| 142                            | Hardware, plumbing, and heating  | 188,268          | *461               | 8,280             | 179,491                        | 70,913  | 70,191                  | 7,554,833          | 3,249,188          | 1,388,221          | 110,972                |
| 143                            | Other durable goods  | 473,983          | 13,238             | 22,419            | 427,961                        | 346,535   | 342,073                 | 21,957,518         | 7,367,460          | 3,403,342          | 375,335                |
| 144                            | Paper and paper products   | 75,402           | *1,454             | 2,425             | 71,523                         | 99,791  | 99,306                  | 3,052,811          | 1,389,161          | 561,715            | 56,248                 |
| 145                            | Drugs, chemicals, and allied products  | 150,803          | 6,950              | 8,005             | 126,852                        | 401,438   | 395,853                 | 7,657,914          | 4,194,485          | 1,055,480          | 114,050                |
| 146                            | Apparel, piece goods, and notions  | 141,358          | 175                | 4,469             | 136,579                        | 49,771  | 48,749                  | 5,327,658          | 1,860,362          | 583,917            | 57,380                 |
| 147                            | Farm—product raw materials   | 174,073          | 18,905             | 34,125            | 121,026                        | 176,974   | 172,292                 | 17,201,970         | 5,383,665          | 5,731,089          | 394,075                |
| 148                            | Petroleum and petroleum products   | 746,163          | 534,676            | 19,201            | 192,279                        | 90,686  | 81,306                  | 19,442,525         | 8,832,876          | 4,402,150          | 361,311                |
| 149                            | Alcoholic beverages  | 165,397          | *197               | 6,561             | 158,634                        | 108,212   | 107,795                 | 4,294,972          | 1,757,301          | 1,034,686          | 99,735                 |
| 150                            | Miscellaneous nondurable goods; wholesale trade not allocable                          | 274,203          | 7,922              | 25,295            | 240,941                        | 205,402   | 202,569                 | 15,488,062         | 5,573,404          | 4,216,350          | 357,709                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 1.—Number of Returns, Receipts, Cost of Sales and Operations, Net Income, Total Income Tax, Foreign Tax and Investment Credits, Distributions to Stockholders, Total Assets, Net Worth, Depreciable Assets, and Depreciation Deduction, by Minor Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|   | Minor industry   | Total income tax | Foreign tax credit | Investment credit | Total income tax after credits | Distributions to stockholders except in own stock |                         | Total assets         | Net worth          | Depreciable assets | Depreciation deduction |
|---|--|------------------|--------------------|-------------------|--------------------------------|---|-------------------------|----------------------|--------------------|--------------------|------------------------|
|   |  |                  |                    |                   |                                | All returns                                       | Returns with net income |                      |                    |                    |                        |
|   |  | (11)             | (12)               | (13)              | (14)                           | (15)  | (16)                    | (17)                 | (18)               | (19)               | (20)                   |
| <b>Wholesale and retail trade—Continued</b> |  |                  |                    |                   |                                |   |                         |                      |                    |                    |                        |
| 151   | Retail trade   | 4,497,707        | 83,843             | 406,953           | 3,998,374                      | 2,069,605   | 1,993,317               | 178,423,569          | 65,158,995         | 69,344,534         | 6,035,293              |
| 152   | Building materials, garden supplies, and mobile home dealers                                   | 332,381          | *55                | 21,076            | 311,230                        | 100,038   | 99,331                  | 12,549,274           | 5,493,088          | 3,855,061          | 330,421                |
| 153   | Building materials dealers   | 260,957          | *55                | 16,501            | 244,430                        | 75,020  | 74,350                  | 5,017,880            | 4,017,890          | 2,729,078          | 229,078                |
| 154   | Hardware stores  | 48,963           | —                  | 2,436             | 46,518                         | 18,493  | 18,493                  | 1,886,135            | 945,523            | 484,994            | 41,259                 |
| 155   | Garden supplies and mobile home dealers  | 22,461           | —                  | 2,139             | 20,322                         | 6,525   | 6,488                   | 2,085,259            | 529,675            | 624,180            | 60,084                 |
| 156   | General merchandise stores   | 1,336,464        | 62,738             | 115,443           | 1,155,800                      | 749,820   | 736,358                 | 52,308,893           | 18,979,662         | 18,094,483         | 1,250,914              |
| 157   | Food stores  | 684,428          | 7,291              | 92,294            | 580,488                        | 277,844   | 274,885                 | 21,360,125           | 8,457,400          | 12,797,596         | 1,170,040              |
| 158   | Automotive dealers and service stations  | 485,795          | *38                | 38,212            | 447,234                        | 187,144   | 182,373                 | 33,263,348           | 9,061,738          | 8,883,135          | 981,056                |
| 159   | Motor vehicle dealers  | 340,990          | *4                 | 24,477            | 316,409                        | 98,296  | 95,023                  | 24,613,674           | 6,307,098          | 5,726,432          | 671,798                |
| 160   | Gasoline service stations  | 45,788           | —                  | 6,023             | 39,765                         | 32,106  | 31,599                  | 3,216,627            | 1,088,040          | 1,644,899          | 148,656                |
| 161   | Other automotive dealers   | 99,017           | *34                | 7,712             | 91,060                         | 56,742  | 55,751                  | 5,433,047            | 1,666,600          | 1,511,804          | 160,602                |
| 162   | Apparel and accessory stores   | 352,226          | *47                | 14,552            | 336,493                        | 198,232   | 195,917                 | 10,132,945           | 4,800,333          | 2,785,601          | 253,114                |
| 163   | Furniture and home furnishings stores  | 153,943          | *1                 | 7,511             | 146,413                        | 71,471  | 42,836                  | 9,423,529            | 3,673,456          | 2,067,102          | 183,060                |
| 164   | Eating and drinking places   | 405,810          | 4,794              | 57,758            | 343,144                        | 210,447   | 193,017                 | 14,671,188           | 4,706,173          | 11,782,751         | 1,014,210              |
| 165   | Miscellaneous retail stores  | 746,660          | 8,879              | 60,107            | 677,572                        | 274,609   | 268,600                 | 24,714,267           | 9,987,145          | 9,078,805          | 852,478                |
| 166   | Drug stores and proprietary stores   | 200,815          | *52                | 12,309            | 187,909                        | 79,618  | 79,082                  | 5,232,434            | 2,332,175          | 1,695,388          | 145,086                |
| 167   | Liquor stores  | 25,120           | —                  | 1,937             | 23,183                         | 9,182   | 9,182                   | 1,345,347            | 511,832            | 465,467            | 44,042                 |
| 168   | Other retail stores  | 520,725          | 8,327              | 45,861            | 466,408                        | 185,809   | 180,336                 | 18,136,486           | 7,143,138          | 6,917,950          | 663,350                |
| 169   | Wholesale and retail trade not allocable   | *2,071           | *1                 | *62               | *2,008                         | *6,739  | *6,739                  | 120,853              | 36,736             | 21,995             | 2,023                  |
| 170   | <b>Finance, insurance, and real estate</b>   | <b>7,203,750</b> | <b>836,470</b>     | <b>339,676</b>    | <b>6,026,146</b>               | <b>9,590,282</b>                                  | <b>7,976,225</b>        | <b>2,549,799,105</b> | <b>297,291,221</b> | <b>110,675,846</b> | <b>7,256,408</b>       |
| 171   | Banking  | 1,779,916        | 593,269            | 179,348           | 1,007,184                      | 2,650,049   | 2,114,877               | 1,342,366,627        | 96,529,496         | 24,317,794         | 2,740,951              |
| 172   | Mutual savings banks   | 114,832          | 220                | 3,417             | 111,193                        | —   | —                       | 132,740,927          | 6,966,313          | 4,432,636          | 88,882                 |
| 173   | Bank holding companies   | 1,070,838        | 576,964            | 126,504           | 367,289                        | 1,830,274   | 1,427,730               | 834,119,262          | 62,076,918         | 14,843,238         | 2,016,882              |
| 174   | Banks, except mutual savings banks and bank holding companies                                  | 594,246          | 16,085             | 49,427            | 528,702                        | 819,775   | 687,147                 | 375,506,438          | 27,466,265         | 8,041,920          | 635,187                |
| 175   | Credit agencies other than banks   | 1,236,220        | 44,519             | 44,020            | 1,146,982                      | 635,245   | 533,953                 | 489,906,642          | 24,710,325         | 10,366,540         | 692,510                |
| 176   | Savings and loan associations  | 667,488          | 133                | 15,153            | 651,976                        | 134,407   | 115,663                 | 375,304,128          | 11,568,601         | 6,150,480          | 308,027                |
| 177   | Personal credit institutions   | 205,121          | *16,979            | 9,761             | 178,065                        | 197,401   | 174,034                 | 19,714,841           | 3,802,989          | 1,163,927          | 136,949                |
| 178   | Business credit institutions   | 115,756          | *6,991             | 10,701            | 98,063                         | 62,436  | 62,410                  | 18,317,276           | 2,147,616          | 1,240,992          | 138,526                |
| 179   | Other credit agencies; finance not allocable   | 247,855          | 20,416             | 8,405             | 218,878                        | 240,961   | 181,846                 | 76,570,397           | 7,191,119          | 1,811,141          | 109,008                |
| 180   | Security, commodity brokers and services   | 350,955          | 5,374              | 11,812            | 333,666                        | 103,425   | 101,356                 | 41,084,876           | 4,558,073          | 838,672            | 90,225                 |
| 181   | Security brokers and dealers   | 325,878          | 5,346              | 10,952            | 309,478                        | 85,814  | 84,408                  | 38,928,558           | 3,923,499          | 639,438            | 73,940                 |
| 182   | Commodity contracts brokers and dealers; security and commodity exchanges; and allied services | 25,077           | *28                | 860               | 24,188                         | 17,611  | 16,948                  | 2,156,318            | 634,574            | 199,234            | 16,285                 |
| 183   | Insurance  | 2,480,241        | 130,818            | 62,922            | 2,286,437                      | 1,875,919   | 1,259,438               | 464,192,787          | 69,515,961         | 8,556,324          | 1,030,217              |
| 184   | Life insurance   | 2,119,090        | 83,155             | 35,928            | 1,999,958                      | 700,472   | 663,707                 | 321,575,365          | 26,978,707         | 2,442,478          | 452,923                |
| 185   | Mutual insurance, except life or marine and certain fire or flood insurance companies          | 81,078           | 1,730              | 3,313             | 76,300                         | —   | —                       | 28,784,723           | 7,992,895          | 516,233            | 93,418                 |
| 186   | Other insurance companies  | 280,073          | 45,933             | 23,681            | 210,449                        | 1,175,447   | 595,731                 | 113,832,699          | 34,544,359         | 5,597,613          | 483,876                |
| 187   | Insurance agents, brokers, and service   | 233,602          | 6,093              | 7,075             | 220,429                        | 173,063   | 171,759                 | 9,463,275            | 2,825,302          | 995,253            | 131,377                |
| 188   | Real estate  | 833,985          | 2,440              | 29,019            | 802,077                        | 612,487   | 472,121                 | 98,228,858           | 22,105,972         | 59,789,586         | 2,379,776              |
| 189   | Real estate operators and lessors of buildings   | 514,448          | 2,150              | 16,285            | 495,967                        | 439,264   | 322,214                 | 62,366,215           | 16,384,781         | 51,411,639         | 1,968,096              |
| 190   | Lessors of mining, oil, and similar property   | 43,093           | *110               | 1,603             | 41,380                         | 30,814  | 30,814                  | 870,259              | 305,759            | 308,249            | 14,502                 |
| 191   | Lessors of railroad property, and of real property, not elsewhere classified                   | 14,471           | —                  | 1,266             | 13,205                         | 5,086   | 5,086                   | 1,784,878            | 839,856            | 615,596            | 25,673                 |
| 192   | Condominium management and cooperative housing associations                                    | 480              | —                  | *4                | 476                            | *24   | —                       | 1,608,099            | 355,835            | 1,476,973          | 30,753                 |
| 193   | Subdividers and developers   | 159,339          | *152               | 4,530             | 154,254                        | 59,358  | 39,195                  | 21,008,274           | 2,331,531          | 3,197,645          | 165,397                |
| 194   | Other real estate  | 102,154          | *28                | 5,331             | 96,795                         | 77,941  | 74,812                  | 10,591,133           | 1,888,210          | 2,779,484          | 175,355                |
| 195   | Holding and other investment companies, except bank holding companies                          | 288,831          | 53,957             | 5,480             | 229,371                        | 3,540,094   | 3,322,721               | 104,556,040          | 77,046,092         | 5,811,677          | 191,352                |
| 196   | Regulated investment companies   | 44               | —                  | *1                | 43                             | 2,608,136   | 2,472,197               | 59,637,598           | 56,217,661         | 46,318             | 666                    |
| 197   | Real estate investment trusts  | —                | —                  | —                 | —                              | 123,805   | 76,294                  | 11,833,335           | 2,491,842          | 3,441,625          | 91,843                 |
| 198   | Small business investment companies  | 1,510            | —                  | *8                | 1,502                          | 8,173   | *7,227                  | 559,991              | 230,295            | 10,844             | 767                    |
| 199   | Other holding and investment companies, except bank holding companies                          | 287,245          | 53,957             | 5,471             | 227,794                        | 799,980   | 767,003                 | 32,525,116           | 18,106,294         | 2,312,890          | 98,076                 |
| 200   | <b>Services</b>  | <b>1,918,952</b> | <b>93,278</b>      | <b>299,346</b>    | <b>1,523,460</b>               | <b>1,148,065</b>                                  | <b>1,065,030</b>        | <b>99,489,782</b>    | <b>29,440,516</b>  | <b>65,836,839</b>  | <b>7,292,624</b>       |
| 201   | Hotels and other lodging places  | 136,984          | *157               | 19,332            | 117,447                        | 80,619  | 72,855                  | 12,769,747           | 3,012,956          | 11,371,129         | 639,932                |
| 202   | Personal services  | 124,841          | 4,315              | 16,558            | 103,927                        | 110,833   | 109,670                 | 5,317,623            | 2,376,111          | 4,129,283          | 395,542                |
| 203   | Business services  | 630,437          | 35,099             | 91,867            | 502,285                        | 332,502   | 313,698                 | 29,155,249           | 8,436,438          | 15,292,540         | 1,908,502              |
| 204   | Advertising  | 159,067          | 17,641             | 7,980             | 133,257                        | 60,484  | 52,440                  | 3,919,125            | 1,212,536          | 1,128,052          | 111,278                |
| 205   | Business services, except advertising  | 471,370          | 17,458             | 83,887            | 369,028                        | 272,018   | 261,258                 | 25,236,124           | 7,223,902          | 14,164,488         | 1,797,224              |
| 206   | Auto repair; miscellaneous repair services   | 194,993          | 5,308              | 50,199            | 139,283                        | 45,924  | 41,517                  | 11,417,112           | 2,901,659          | 10,655,765         | 1,780,263              |
| 207   | Auto repair and services   | 144,291          | *3,679             | 45,192            | 95,285                         | 33,607  | 29,838                  | 10,017,722           | 2,264,044          | 9,940,993          | 1,693,677              |
| 208   | Miscellaneous repair services  | 50,702           | *1,629             | 5,007             | 43,998                         | 12,317  | 11,679                  | 1,399,390            | 637,615            | 714,772            | 86,586                 |
| 209   | Amusement and recreation services  | 385,976          | 40,473             | 60,342            | 285,154                        | 197,527   | 193,473                 | 17,758,297           | 5,558,030          | 11,291,958         | 1,471,797              |
| 210   | Motion picture production, distribution, and services  | 136,612          | 37,243             | 36,707            | 62,659                         | 81,537  | 80,171                  | 6,430,012            | 1,866,295          | 1,516,980          | 795,946                |
| 211   | Motion picture theaters  | 31,950           | *1                 | 4,194             | 27,752                         | 20,675  | 19,956                  | 1,838,158            | 550,426            | 1,497,909          | 104,383                |
| 212   | Amusement and recreation services, except motion pictures                                      | 217,414          | 3,230              | 19,441            | 194,743                        | 95,315  | 93,346                  | 9,490,127            | 3,141,309          | 8,277,069          | 571,468                |
| 213   | Other services   | 445,721          | 7,926              | 61,048            | 375,364                        | 380,660   | 333,817                 | 23,071,754           | 7,155,322          | 13,096,164         | 1,096,588              |
| 214   | Offices of physicians, including osteopathic physicians  | 75,021           | —                  | 12,795            | 62,220                         | 22,303  | 21,124                  | 2,265,124            | 1,037,017          | 1,695,266          | 206,448                |
| 215   | Offices of dentists  | 14,386           | —                  | 3,794             | 10,592                         | 10,577  | 10,577                  | 602,365              | 297,437            | 547,608            | 63,209                 |
| 216   | Nursing and personal care facilities   | 47,774           | —                  | 5,918             | 41,802                         | 72,788  | 41,928                  | 4,118,999            | 768,673            | 3,225,693          | 160,267                |
| 217   | Medical laboratories   | 6,529            | *130               | 1,613             | 4,786                          | *4,546  | *4,546                  | 452,190              | 196,652            | 214,517            | 26,651                 |
| 218   | Other medical services   | 69,984           | *305               | 14,285            | 55,280                         | 52,015  | 51,444                  | 4,146,817            | 1,296,943          | 2,586,073          | 191,241                |
| 219   | Legal services   | 10,256           | —                  | 2,553             | 7,703                          | 3,701   | *9,701                  | 603,418              | 205,252            | 347,880            | 41,485                 |
| 220   | Educational services   | 22,794           | *145               | 2,466             | 20,183                         | 6,793   | 5,956                   | 1,103,200            | 253,119            | 595,705            | 60,253                 |
| 221   | Miscellaneous services, not elsewhere classified   | 198,977          | 7,346              | 17,624            | 172,798                        | 201,937   | 188,541                 | 9,779,641            | 3,100,229          | 3,883,422          | 347,034                |
| 222   | <b>Nature of business not allocable</b>  | <b>13,600</b>    | <b>*57</b>         | <b>1,058</b>      | <b>11,933</b>                  | <b>*1,800</b>                                     | <b>*1,523</b>           | <b>747,276</b>       | <b>242,042</b>     | <b>279,584</b>     | <b>26,704</b>          |

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

\* Less than \$500 per return.

NOTE: Credits include foreign tax, U.S. possessions tax, investment, and work incentive (WIN) credits. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item |   | All industries | Major industry                     |            |              |             |                        |                                    |
|------|---|----------------|------------------------------------|------------|--------------|-------------|------------------------|------------------------------------|
|      |   |                | Agriculture, forestry, and fishing | Mining     |              |             |                        |                                    |
|      |   |                |                                    | Total      | Metal mining | Coal mining | Oil and gas extraction | Nonmetallic minerals, except fuels |
|      |   | (1)            | (2)                                | (3)        | (4)          | (5)         | (6)                    | (7)                                |
| 1    | Number of returns, total  | 2,082,200      | 60,289                             | 15,606     | 970          | 2,344       | 8,975                  | 3,317                              |
| 2    | With net income   | 1,273,535      | 35,805                             | 8,038      | 106          | 1,346       | 4,772                  | 1,814                              |
| 3    | Total assets  | 4,720,938,670  | 23,803,530                         | 76,701,653 | 10,480,670   | 10,641,537  | 49,084,671             | 6,494,775                          |
| 4    | Cash  | 314,548,604    | 1,385,664                          | 3,037,747  | 206,905      | 668,374     | 1,777,089              | 385,379                            |
| 5    | Notes and accounts receivable                                     | 1,169,304,296  | 2,041,354                          | 16,205,347 | 846,229      | 1,689,160   | 12,726,940             | 943,018                            |
| 6    | Less: Allowance for bad debts                                     | 32,024,662     | 24,639                             | 74,919     | 859          | 11,429      | 47,043                 | 15,588                             |
| 7    | Inventories   | 350,644,363    | 2,312,930                          | 3,864,203  | 877,771      | 519,536     | 1,702,059              | 764,837                            |
|      | Investments in Government obligations:                            |                |                                    |            |              |             |                        |                                    |
| 8    | United States   | 209,304,192    | 86,381                             | 501,068    | 14,185       | 66,650      | 317,475                | 102,758                            |
| 9    | State and local   | 147,831,154    | 37,955                             | 78,903     | 2,616        | 37,596      | 27,022                 | 11,669                             |
| 10   | Other current assets  | 162,340,797    | 688,235                            | 2,982,831  | 688,374      | 719,985     | 1,410,849              | 163,623                            |
| 11   | Loans to stockholders   | 11,888,153     | 391,317                            | 954,960    | 43,185       | 60,715      | 832,977                | 18,083                             |
| 12   | Mortgage and real estate loans                                    | 598,859,539    | 249,105                            | 241,095    | 21,615       | 18,334      | 175,454                | 25,692                             |
| 13   | Other investments   | 699,026,910    | 1,751,517                          | 15,272,177 | 2,927,254    | 1,281,242   | 10,568,477             | 495,204                            |
| 14   | Depreciable assets  | 1,382,572,361  | 14,273,672                         | 38,389,891 | 5,218,707    | 7,010,146   | 20,846,028             | 5,315,010                          |
| 15   | Less: Accumulated depreciation                                    | 519,177,941    | 6,309,242                          | 13,948,006 | 1,819,745    | 2,706,161   | 6,768,938              | 2,653,162                          |
| 16   | Depletable assets   | 43,162,261     | 162,301                            | 8,209,638  | 1,226,331    | 739,102     | 5,804,491              | 439,714                            |
| 17   | Less: Accumulated depletion                                       | 16,016,051     | 25,996                             | 3,109,814  | 388,173      | 127,158     | 2,511,854              | 82,629                             |
| 18   | Land  | 69,617,238     | 5,638,199                          | 1,048,678  | 77,548       | 190,997     | 347,341                | 432,792                            |
| 19   | Intangible assets (amortizable)                                   | 14,534,249     | 49,720                             | 1,571,443  | 53,687       | 172,605     | 1,323,277              | 21,874                             |
| 20   | Less: Accumulated amortization                                    | 5,583,217      | 25,189                             | 544,658    | 24,031       | 47,320      | 470,109                | 3,198                              |
| 21   | Other assets  | 120,106,424    | 1,120,246                          | 2,021,069  | 509,071      | 359,163     | 1,023,136              | 129,699                            |
| 22   | Total liabilities   | 4,720,938,670  | 23,803,530                         | 76,701,653 | 10,480,670   | 10,641,537  | 49,084,671             | 6,494,775                          |
| 23   | Accounts payable  | 298,886,666    | 1,180,706                          | 6,116,541  | 656,411      | 776,004     | 4,221,887              | 462,239                            |
| 24   | Mortgages, notes, and bonds payable in less than one year         | 279,666,019    | 4,418,647                          | 3,832,718  | 367,106      | 1,170,455   | 1,997,295              | 297,862                            |
| 25   | Other current liabilities   | 1,791,237,114  | 967,477                            | 11,627,807 | 755,031      | 1,057,277   | 9,484,466              | 331,033                            |
| 26   | Loans from stockholders   | 40,750,358     | 1,579,074                          | 922,063    | 137,914      | 135,242     | 564,714                | 84,193                             |
| 27   | Mortgages, notes, and bonds payable in one year or more           | 638,277,006    | 6,925,430                          | 12,299,490 | 2,193,019    | 1,774,468   | 7,056,902              | 1,275,101                          |
| 28   | Other liabilities   | 464,804,046    | 838,693                            | 3,944,841  | 326,794      | 525,856     | 2,625,405              | 466,786                            |
| 29   | Capital stock   | 268,788,251    | 4,269,677                          | 3,460,629  | 613,881      | 473,201     | 1,712,306              | 661,241                            |
| 30   | Paid-in or capital surplus  | 321,885,839    | 1,946,204                          | 11,871,195 | 2,292,425    | 831,469     | 8,542,800              | 204,501                            |
| 31   | Retained earnings, appropriated                                   | 34,569,746     | 132,313                            | 2,676,276  | 33,698       | 115,106     | 2,511,046              | 16,426                             |
| 32   | Retained earnings, unappropriated                                 | 604,834,770    | 1,897,136                          | 20,325,795 | 3,131,105    | 3,849,904   | 10,531,806             | 2,812,980                          |
| 33   | Less: Cost of treasury stock                                      | 22,761,145     | 351,827                            | 375,702    | 26,714       | 67,445      | 163,956                | 117,587                            |
| 34   | Total receipts  | 3,635,471,982  | 32,433,149                         | 84,329,009 | 5,354,832    | 11,792,378  | 61,292,158             | 5,889,641                          |
| 35   | Business receipts   | 3,370,399,288  | 30,818,836                         | 81,581,326 | 5,100,747    | 11,378,056  | 59,422,417             | 5,680,106                          |
|      | Interest on Government obligations:                               |                |                                    |            |              |             |                        |                                    |
| 36   | United States   | 13,371,626     | 9,647                              | 40,135     | 7,764        | 8,075       | 18,105                 | 6,191                              |
| 37   | State and local   | 7,127,050      | 3,469                              | 7,284      | 256          | 3,547       | 3,039                  | 442                                |
| 38   | Other interest  | 135,511,998    | 150,441                            | 414,815    | 39,422       | 78,859      | 266,870                | 29,664                             |
| 39   | Rents   | 24,742,127     | 174,779                            | 155,494    | 4,984        | 61,312      | 60,610                 | 28,588                             |
| 40   | Royalties   | 5,776,660      | 25,169                             | 186,122    | 15,089       | 6,945       | 154,386                | 9,702                              |
| 41   | Net short-term capital gain reduced by net long-term capital loss | 398,030        | 5,694                              | 4,870      | 33           | 1,244       | 1,699                  | 1,894                              |
| 42   | Net long-term capital gain reduced by net short-term capital loss | 9,675,290      | 299,330                            | 473,216    | 49,687       | 76,274      | 313,792                | 33,463                             |
| 43   | Net gain, noncapital assets                                       | 8,891,674      | 112,206                            | 180,360    | 2,069        | 34,988      | 124,777                | 18,526                             |
| 44   | Dividends received from domestic corporations                     | 11,968,994     | 27,279                             | 173,749    | 19,497       | 47,423      | 88,934                 | 17,895                             |
| 45   | Dividends received from foreign corporations                      | 7,491,448      | 1,745                              | 97,472     | 58,198       | 2,569       | 34,750                 | 1,955                              |
| 46   | Other receipts  | 40,117,797     | 804,554                            | 1,014,166  | 57,066       | 93,086      | 802,779                | 61,215                             |
| 47   | Total deductions  | 3,448,882,876  | 31,790,345                         | 54,341,625 | 5,318,094    | 10,931,006  | 32,480,345             | 5,612,180                          |
| 48   | Cost of sales and operations                                      | 2,416,628,161  | 22,831,591                         | 39,110,630 | 3,743,427    | 7,312,141   | 24,478,140             | 3,576,922                          |
| 49   | Compensation of officers  | 64,001,760     | 926,967                            | 591,524    | 22,439       | 135,262     | 297,697                | 136,126                            |
| 50   | Repairs   | 26,397,911     | 608,423                            | 646,430    | 28,844       | 240,037     | 198,911                | 178,638                            |
| 51   | Bad debts   | 13,812,395     | 53,471                             | 84,788     | 1,726        | 25,869      | 42,468                 | 14,725                             |
| 52   | Rent paid on business property                                    | 45,069,251     | 775,921                            | 405,582    | 26,517       | 120,638     | 197,017                | 61,410                             |
| 53   | Taxes paid  | 92,983,860     | 728,808                            | 1,385,296  | 257,028      | 481,126     | 468,351                | 178,791                            |
| 54   | Interest paid   | 135,056,207    | 861,338                            | 1,234,840  | 189,220      | 240,693     | 670,232                | 134,695                            |
| 55   | Contributions or gifts  | 1,487,408      | 11,643                             | 18,985     | 1,010        | 6,561       | 6,797                  | 4,617                              |
| 56   | Amortization  | 868,134        | 3,710                              | 10,572     | 3,313        | 1,551       | 4,812                  | 896                                |
| 57   | Depreciation  | 93,761,989     | 1,220,019                          | 2,548,922  | 296,107      | 737,195     | 1,141,777              | 373,843                            |
| 58   | Depletion   | 5,632,809      | 12,581                             | 1,335,379  | 211,162      | 468,292     | 472,184                | 183,741                            |
| 59   | Advertising   | 30,777,100     | 115,503                            | 56,001     | 1,346        | 4,328       | 25,464                 | 24,863                             |
| 60   | Pension, profit-sharing, stock bonus, and annuity plans           | 31,354,998     | 107,547                            | 335,430    | 77,352       | 72,784      | 137,142                | 48,152                             |
| 61   | Employee benefit programs   | 19,285,318     | 57,783                             | 276,810    | 16,542       | 168,862     | 54,885                 | 36,521                             |
| 62   | Net loss, noncapital assets                                       | 1,955,480      | 19,150                             | 46,431     | 696          | 8,285       | 34,953                 | 2,497                              |
| 63   | Other deductions  | 469,810,095    | 3,455,890                          | 6,254,005  | 441,365      | 907,382     | 4,249,515              | 655,743                            |
| 64   | Total receipts less total deductions                              | 186,589,106    | 642,804                            | 29,987,384 | 36,738       | 861,372     | 28,811,813             | 277,461                            |
| 65   | Constructive taxable income from related foreign corporations     | 5,957,050      | 956                                | 44,606     | 6,682        | 2,703       | 33,610                 | 1,611                              |
| 66   | Net income (less deficit) (line 64 plus 65 minus 37)              | 185,419,106    | 640,291                            | 30,024,706 | 43,164       | 860,528     | 28,842,384             | 278,630                            |
| 67   | Net income  | 210,406,400    | 1,506,417                          | 30,955,113 | 189,911      | 1,137,799   | 29,279,566             | 347,837                            |
| 68   | Deficit   | 24,987,294     | 866,126                            | 930,407    | 146,747      | 277,271     | 437,182                | 69,207                             |
| 69   | Income subject to tax   | 183,417,529    | 1,015,900                          | 30,389,014 | 148,412      | 1,012,992   | 28,935,560             | 292,050                            |
| 70   | Income tax, total   | 83,291,815     | 353,451                            | 14,549,609 | 72,722       | 485,634     | 13,855,882             | 135,371                            |
| 71   | Normal tax, surtax, and alternative tax                           | 82,793,852     | 348,736                            | 14,484,230 | 65,749       | 468,606     | 13,823,887             | 125,988                            |
| 72   | Tax from recomputing prior-year investment credit                 | 304,877        | 4,120                              | 10,974     | 94           | 3,151       | 6,736                  | 993                                |
| 73   | Tax from recomputing prior-year work incentive (WIN) credit       | 153            | (1)                                | (1)        | —            | —           | (1)                    | —                                  |
| 74   | Additional tax for tax preferences                                | 192,933        | 595                                | 54,405     | 6,879        | 13,877      | 25,259                 | 8,390                              |
| 75   | Foreign tax credit  | 23,578,926     | 9,528                              | 13,348,618 | 18,896       | 114,861     | 13,192,009             | 22,852                             |
| 76   | U.S. possessions tax credit                                       | 703,429        | 59                                 | —          | —            | —           | —                      | —                                  |
| 77   | Investment credit   | 9,152,712      | 66,335                             | 215,251    | 10,942       | 74,241      | 98,101                 | 31,967                             |
| 78   | Work incentive (WIN) credit                                       | 9,352          | 9                                  | 41         | 8            | 29          | —                      | 4                                  |
|      | Distributions to stockholders:                                    |                |                                    |            |              |             |                        |                                    |
| 79   | Cash and property except in own stock                             | 54,644,375     | 217,307                            | 4,088,323  | 118,703      | 334,308     | 3,503,398              | 131,914                            |
| 80   | Corporation's own stock   | 2,522,340      | 12,786                             | 84,224     | 4,614        | 31,092      | 46,166                 | 2,352                              |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Item   | Major industry—Continued |   |                                |                           |               |                           |                      |                       |                                    |
|--|--------------------------|---|--------------------------------|---------------------------|---------------|---------------------------|----------------------|-----------------------|------------------------------------|
|  | Construction             |   |                                |                           | Manufacturing |                           |                      |                       |                                    |
|  | Total                    | General building contractors and operative builders | Heavy construction contractors | Special trade contractors | Total         | Food and kindred products | Tobacco manufactures | Textile mill products | Apparel and other textile products |
|  | (8)                      | (9)   | (10)                           | (11)                      | (12)          | (13)                      | (14)                 | (15)                  | (16)                               |
| 1 Number of returns, total   | 195,933                  | 78,115  | 16,533                         | 101,285                   | 212,333       | 15,478                    | 40                   | 4,690                 | 15,756                             |
| 2 With net income  | 111,248                  | 40,942  | 8,821                          | 61,485                    | 140,628       | 10,535                    | **                   | 3,377                 | 9,638                              |
| 3 Total assets   | 80,759,509               | 41,272,832  | 18,024,977                     | 21,461,700                | 1,034,602,790 | 81,579,230                | 18,082,738           | 18,678,554            | 15,216,069                         |
| 4 Cash   | 7,843,033                | 3,442,383   | 1,828,853                      | 2,571,797                 | 36,699,412    | 3,717,553                 | 782,332              | 854,375               | 1,049,094                          |
| 5 Notes and accounts receivable                                      | 21,279,623               | 8,995,006   | 4,698,710                      | 7,585,907                 | 229,854,700   | 15,654,215                | 1,922,708            | 4,964,500             | 4,510,311                          |
| 6 Less: Allowance for bad debts                                      | 205,621                  | 59,173  | 44,479                         | 101,969                   | 4,545,348     | 343,062                   | 22,996               | 145,273               | 92,111                             |
| 7 Inventories  | 13,630,508               | 9,255,483   | 1,223,924                      | 3,151,101                 | 187,915,521   | 17,760,039                | 4,722,473            | 5,132,949             | 5,213,481                          |
| 8 Investments in Government obligations:                             |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 9 United States  | 515,583                  | 232,633   | 201,955                        | 80,995                    | 15,932,173    | 573,111                   | *11,293              | 97,300                | 96,684                             |
| 10 State and local   | 236,454                  | 103,355   | 92,879                         | 40,220                    | 2,663,258     | 277,140                   | *3,717               | 28,944                | 21,747                             |
| 11 Other current assets  | 8,232,819                | 5,139,536   | 1,437,569                      | 1,655,714                 | 46,922,837    | 3,618,355                 | 389,389              | 431,643               | 541,009                            |
| 12 Loans to stockholders   | 999,129                  | 506,980   | 114,695                        | 377,454                   | 2,508,721     | 284,544                   | *507,289             | 62,973                | 119,947                            |
| 13 Mortgage and real estate loans                                    | 782,171                  | 666,781   | 51,289                         | 64,101                    | 2,207,654     | 107,947                   | *20,790              | 21,141                | 12,721                             |
| 14 Other investments   | 5,919,112                | 2,799,628   | 2,139,791                      | 979,693                   | 159,618,854   | 12,721,817                | 5,405,288            | 1,231,740             | 1,294,794                          |
| 15 Depreciable assets  | 30,068,772               | 9,815,751   | 11,818,327                     | 8,434,594                 | 541,268,524   | 41,273,791                | 4,612,959            | 12,705,853            | 3,904,575                          |
| 16 Less: Accumulated depreciation                                    | 15,079,441               | 3,952,567   | 6,669,716                      | 4,457,158                 | 257,587,902   | 18,508,271                | 1,312,598            | 7,122,911             | 1,940,595                          |
| 17 Depletable assets   | 180,979                  | 80,282  | 75,302                         | 25,395                    | 30,698,762    | 217,698                   | *259,985             | *5,642                | *3,221                             |
| 18 Less: Accumulated depletion                                       | 31,239                   | 9,954   | 16,833                         | 4,452                     | 11,831,185    | *65,909                   | —                    | *2,929                | *1,487                             |
| 19 Land  | 3,573,844                | 2,572,583   | 515,854                        | 485,407                   | 15,110,506    | 1,448,247                 | 264,136              | 144,602               | 111,463                            |
| 20 Intangible assets (amortizable)                                   | 182,910                  | 69,446  | 60,944                         | 52,520                    | 6,701,568     | 256,257                   | *108,398             | 34,978                | 52,338                             |
| 21 Less: Accumulated amortization                                    | 56,418                   | 26,571  | 10,404                         | 19,443                    | 3,018,759     | 65,156                    | *39,433              | 12,169                | 15,501                             |
| 22 Other assets  | 2,687,391                | 1,641,250   | 506,317                        | 539,824                   | 33,483,494    | 2,650,914                 | 447,008              | 245,194               | 334,378                            |
| 23 Total liabilities   | 80,759,509               | 41,272,832  | 18,024,977                     | 21,461,700                | 1,034,602,790 | 81,579,230                | 18,082,738           | 18,678,554            | 15,216,069                         |
| 24 Accounts payable  | 15,522,432               | 7,677,233   | 3,051,863                      | 4,793,336                 | 130,281,170   | 9,943,558                 | 1,654,103            | 2,476,032             | 2,814,676                          |
| 25 Mortgages, notes, and bonds payable                               |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 26 in less than one year   | 11,453,472               | 7,774,699   | 1,474,393                      | 2,204,380                 | 68,217,512    | 6,031,558                 | 792,796              | 1,933,628             | 1,613,254                          |
| 27 Other current liabilities   | 10,757,618               | 5,394,533   | 2,344,024                      | 3,019,061                 | 99,229,377    | 7,982,255                 | 1,170,729            | 1,624,285             | 1,520,642                          |
| 28 Loans from stockholders   | 2,669,851                | 1,445,320   | 292,571                        | 931,960                   | 10,087,565    | 850,906                   | *411,410             | 157,841               | 274,972                            |
| 29 Mortgages, notes, and bonds payable                               |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 30 in one year or more   | 12,723,657               | 7,673,035   | 2,609,595                      | 2,441,027                 | 193,442,808   | 14,671,113                | 3,719,467            | 2,982,182             | 1,691,065                          |
| 31 Other liabilities   | 7,111,863                | 4,177,812   | 1,438,994                      | 1,495,057                 | 54,595,578    | 2,180,348                 | 874,963              | 291,289               | 277,631                            |
| 32 Capital stock   | 5,053,049                | 1,876,687   | 1,389,981                      | 1,786,381                 | 77,488,665    | 6,356,372                 | 1,396,405            | 1,580,986             | 1,293,831                          |
| 33 Paid-in or capital surplus  | 3,202,078                | 1,680,385   | 927,040                        | 594,653                   | 109,233,818   | 7,160,920                 | 3,383,889            | 1,390,915             | 887,281                            |
| 34 Retained earnings, appropriated                                   | 241,128                  | 97,120  | 65,451                         | 78,557                    | 5,327,637     | 573,283                   | *287,936             | 30,097                | 37,143                             |
| 35 Retained earnings, unappropriated                                 | 13,218,745               | 3,909,140   | 4,738,948                      | 4,570,657                 | 295,416,267   | 26,552,126                | 4,573,199            | 6,488,769             | 5,033,825                          |
| 36 Less: Cost of treasury stock                                      | 1,194,384                | 433,132   | 307,883                        | 453,369                   | 8,717,607     | 743,209                   | 162,159              | 277,470               | 228,251                            |
| 37 Total receipts  | 154,096,876              | 67,553,390  | 32,788,962                     | 53,754,524                | 1,462,652,852 | 178,451,991               | 15,868,301           | 33,331,206            | 35,020,321                         |
| 38 Business receipts   | 150,059,702              | 65,489,371  | 31,606,699                     | 52,963,632                | 1,414,454,531 | 175,477,266               | 15,422,861           | 32,829,446            | 34,578,132                         |
| 39 Interest on Government obligations:                               |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 40 United States   | 38,329                   | 17,722  | 12,467                         | 8,140                     | 1,020,792     | 44,565                    | *1,672               | 9,717                 | 5,353                              |
| 41 State and local   | 24,888                   | 8,208   | 13,161                         | 3,519                     | 284,805       | 17,504                    | *136                 | 3,133                 | 1,390                              |
| 42 Other interest  | 566,701                  | 339,056   | 126,942                        | 100,703                   | 8,800,786     | 562,211                   | 139,105              | 90,305                | 70,247                             |
| 43 Rents   | 861,150                  | 566,961   | 163,654                        | 130,535                   | 5,544,881     | 270,420                   | 24,863               | 29,789                | 43,333                             |
| 44 Royalties   | 24,656                   | 13,549  | 8,212                          | 2,895                     | 4,117,115     | 215,556                   | 45,609               | 11,962                | 43,288                             |
| 45 Net short-term capital gain reduced by net long-term capital loss | 10,041                   | 5,811   | 2,624                          | 1,606                     | 53,863        | 6,668                     | *1,939               | *72                   | *98                                |
| 46 Net long-term capital gain reduced by net short-term capital loss | 307,710                  | 183,765   | 66,192                         | 57,753                    | 4,157,376     | 142,526                   | 16,805               | 19,471                | 13,353                             |
| 47 Net gain, noncapital assets                                       | 317,876                  | 129,662   | 123,995                        | 64,219                    | 1,064,934     | 122,507                   | 25,388               | 23,757                | 8,759                              |
| 48 Dividends received from domestic corporations                     | 65,061                   | 21,929  | 35,978                         | 7,154                     | 5,935,375     | 169,796                   | 78,007               | 37,222                | 11,278                             |
| 49 Dividends received from foreign corporations                      | 65,132                   | 12,674  | 48,367                         | *4,091                    | 6,462,407     | 349,481                   | *14,392              | 26,412                | 19,010                             |
| 50 Other receipts  | 1,755,630                | 764,682   | 580,671                        | 410,277                   | 10,755,987    | 1,073,491                 | 97,524               | 249,920               | 226,080                            |
| 51 Total deductions  | 151,305,684              | 66,797,379  | 31,714,248                     | 52,794,057                | 1,377,698,518 | 171,340,094               | 14,197,176           | 32,265,126            | 33,713,890                         |
| 52 Cost of sales and operations                                      | 121,668,205              | 56,835,230  | 25,156,456                     | 39,676,519                | 1,035,840,144 | 135,868,419               | 8,931,948            | 25,664,584            | 26,142,515                         |
| 53 Compensation of officers  | 5,330,800                | 1,746,288   | 711,243                        | 2,873,269                 | 12,554,405    | 1,035,028                 | 31,689               | 388,467               | 807,550                            |
| 54 Repairs   | 849,886                  | 221,688   | 337,068                        | 291,130                   | 17,330,706    | 1,449,707                 | 87,160               | 277,903               | 70,758                             |
| 55 Bad debts   | 358,242                  | 126,502   | 65,548                         | 166,192                   | 2,696,774     | 185,268                   | 14,409               | 87,932                | 71,480                             |
| 56 Rent paid on business property                                    | 980,805                  | 268,353   | 276,185                        | 436,267                   | 11,438,938    | 1,125,396                 | 82,854               | 272,120               | 365,085                            |
| 57 Taxes paid  | 3,237,776                | 995,524   | 668,488                        | 1,573,764                 | 39,228,691    | 4,405,715                 | 1,822,532            | 787,205               | 861,524                            |
| 58 Interest paid   | 1,867,121                | 1,075,634   | 376,758                        | 414,729                   | 21,985,032    | 1,718,527                 | 414,388              | 450,391               | 346,528                            |
| 59 Contributions or gifts  | 44,477                   | 17,690  | 11,941                         | 14,846                    | 795,768       | 71,606                    | 9,894                | 22,809                | 24,321                             |
| 60 Amortization  | 12,931                   | 7,349   | 631                            | 4,951                     | 327,305       | 22,096                    | 2,255                | 3,956                 | 2,591                              |
| 61 Depreciation  | 2,867,241                | 807,423   | 1,108,569                      | 951,249                   | 37,774,304    | 3,072,133                 | 310,048              | 885,057               | 314,041                            |
| 62 Depletion   | 33,194                   | 14,061  | 16,073                         | 3,060                     | 3,817,567     | 29,979                    | *15,449              | *1,299                | *602                               |
| 63 Advertising   | 374,037                  | 179,920   | 32,583                         | 161,534                   | 15,055,712    | 4,093,968                 | 760,095              | 232,675               | 252,865                            |
| 64 Pension, profit-sharing, stock bonus, and annuity plans           | 786,672                  | 224,055   | 231,637                        | 330,980                   | 16,580,790    | 1,030,974                 | 157,203              | 197,539               | 179,749                            |
| 65 Employee benefit programs   | 592,382                  | 136,180   | 147,610                        | 308,592                   | 11,641,803    | 844,330                   | 137,364              | 131,461               | 138,954                            |
| 66 Net loss, noncapital assets                                       | 41,594                   | 16,098  | 10,312                         | 15,184                    | 471,769       | 49,914                    | *911                 | 12,442                | 5,961                              |
| 67 Other deductions  | 12,260,321               | 4,125,384   | 2,563,146                      | 5,571,791                 | 150,158,810   | 16,337,034                | 1,418,977            | 2,849,286             | 4,129,366                          |
| 68 Total receipts less total deductions                              | 2,791,192                | 756,011   | 1,074,714                      | 960,467                   | 84,954,334    | 7,111,897                 | 1,671,125            | 1,066,080             | 1,306,431                          |
| 69 Constructive taxable income from related foreign corporations     | 59,930                   | *23,005   | 33,837                         | *3,088                    | 4,602,828     | 245,637                   | *33,719              | 4,285                 | 10,014                             |
| 70 Net income (less deficit) (line 64 plus 65 minus 37)              | 2,826,234                | 770,808   | 1,095,390                      | 960,036                   | 89,272,357    | 7,340,030                 | 1,704,708            | 1,067,232             | 1,315,055                          |
| 71 Net income  | 5,025,829                | 1,610,015   | 1,477,054                      | 1,738,760                 | 94,990,863    | 7,944,545                 | **                   | 1,433,359             | 1,457,568                          |
| 72 Deficit   | 2,199,595                | 1,039,207   | 381,664                        | 778,724                   | 5,718,506     | 604,515                   | **                   | 366,127               | 232,603                            |
| 73 Income subject to tax   | 3,899,237                | 1,362,894   | 1,252,153                      | 1,284,190                 | 88,825,102    | 7,603,610                 | 1,653,364            | 1,340,467             | 1,357,813                          |
| 74 Income tax, total   | 1,511,654                | 525,666   | 556,893                        | 429,095                   | 41,452,853    | 3,580,397                 | 790,865              | 623,324               | 608,402                            |
| 75 Normal tax, surtax, and alternative tax                           | 1,497,051                | 521,352   | 550,944                        | 424,755                   | 41,235,094    | 3,566,259                 | 790,337              | 620,517               | 607,608                            |
| 76 Tax from recomputing prior-year investment credit                 | 12,670                   | 3,021   | 5,397                          | 4,252                     | 144,865       | 13,585                    | 528                  | 2,757                 | 794                                |
| 77 Tax from recomputing prior-year work incentive (WIN) credit       | 67                       | *(1)  | *67                            | *(1)                      | 51            | *(1)                      | —                    | *(1)                  | *(1)                               |
| 78 Additional tax for tax preferences                                | 1,866                    | 1,293   | 485                            | *88                       | 72,843        | 553                       | —                    | *50                   | —                                  |
| 79 Foreign tax credit  | 97,577                   | 29,310  | 64,304                         | 3,963                     | 8,388,111     | 361,028                   | 132,874              | 7,737                 | 16,744                             |
| 80 U.S. possessions tax credit                                       | 1,143                    | 34  | 1,108                          | 1                         | 662,947       | 42,550                    | 6,769                | 588                   | 14,786                             |
| 81 Investment credit   | 170,803                  | 38,132  | 86,649                         | 46,022                    | 4,150,832     | 331,343                   | 46,790               | 79,628                | 25,532                             |
| 82 Work incentive (WIN) credit                                       | 148                      | *20   | 57                             | *71                       | 6,744         | 374                       | *31                  | 209                   | 137                                |
| 83 Distributions to stockholders:                                    |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 84 Cash and property except in own stock                             | 514,107                  | 170,238   | 168,510                        | 175,359                   | 22,884,452    | 1,794,195                 | 416,975              | 198,196               | 188,143                            |
| 85 Corporation's own stock   | 46,606                   | 12,305  | 16,890                         | 17,411                    | 1,071,878     | 126,216                   | —                    | 70,874                | 15,798                             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Major industry—Continued |                        |                           |                         |                               |  |  |                              |                                 |
|--|--------------------------|------------------------|---------------------------|-------------------------|-------------------------------|--|--|------------------------------|---------------------------------|
|  | Manufacturing—Continued  |                        |                           |                         |                               |  |  |                              |                                 |
|  | Lumber and wood products | Furniture and fixtures | Paper and allied products | Printing and publishing | Chemicals and allied products | Petroleum (including integrated) and coal products | Rubber and miscellaneous plastics products | Leather and leather products | Stone, clay, and glass products |
|  | (17)                     | (18)                   | (19)                      | (20)                    | (21)                          | (22)   | (23)                                       | (24)                         | (25)                            |
| 1 Number of returns, total                                 | 13,154                   | 7,648                  | 3,409                     | 30,259                  | 9,224                         | 1,182  | 7,278                                      | 2,590                        | 9,821                           |
| 2 With net income  | 9,180                    | 4,781                  | 2,820                     | 18,359                  | 5,762                         | 1,039  | 5,189                                      | 2,089                        | 6,241                           |
| 3 Total assets   | 26,749,927               | 6,253,594              | 31,205,484                | 30,000,572              | 96,515,758                    | 190,076,644  | 18,737,445                                 | 5,040,981                    | 24,594,786                      |
| 4 Cash   | 1,090,158                | 375,843                | 865,397                   | 2,010,005               | 3,124,697                     | 3,266,356  | 859,931                                    | 389,287                      | 1,219,599                       |
| 5 Notes and accounts receivable                            | 3,943,336                | 1,601,400              | 4,126,625                 | 6,906,750               | 17,434,152                    | 36,792,455   | 4,810,876                                  | 1,380,312                    | 4,511,957                       |
| 6 Less: Allowance for bad debts                            | 86,958                   | 39,677                 | 102,954                   | 502,914                 | 320,206                       | 450,258  | 71,291                                     | 32,857                       | 114,182                         |
| 7 Inventories  | 4,543,181                | 1,876,922              | 4,611,743                 | 3,317,972               | 16,593,750                    | 13,504,081   | 3,906,436                                  | 1,603,616                    | 3,853,443                       |
| 8 Investments in Government obligations:                   |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 9 United States  | 97,073                   | 36,453                 | 543,585                   | 499,914                 | 794,873                       | 3,132,850  | 50,577                                     | 9,549                        | 197,178                         |
| 10 State and local   | 17,336                   | 16,605                 | 48,414                    | 197,466                 | 307,482                       | 305,873  | 66,306                                     | 9,232                        | 25,458                          |
| 11 Other current assets                                    | 939,057                  | 180,861                | 1,050,265                 | 2,019,985               | 3,573,927                     | 7,597,159  | 571,468                                    | 181,184                      | 1,004,442                       |
| 12 Loans to stockholders                                   | 104,161                  | 16,469                 | 43,113                    | 278,825                 | 95,668                        | 128,540  | 65,261                                     | 13,357                       | 45,121                          |
| 13 Mortgage and real estate loans                          | 850,157                  | 4,038                  | 14,166                    | 75,232                  | 18,044                        | 85,857   | 43,991                                     | 9,618                        | 36,721                          |
| 14 Other investments                                       | 2,652,117                | 367,042                | 3,927,795                 | 4,036,678               | 16,457,250                    | 42,973,121   | 1,994,556                                  | 622,130                      | 2,937,189                       |
| 15 Depreciable assets                                      | 16,129,413               | 2,816,191              | 23,981,150                | 14,817,924              | 62,398,895                    | 101,527,205  | 10,752,549                                 | 1,601,677                    | 18,949,214                      |
| 16 Less: Accumulated depreciation                          | 6,906,906                | 1,321,259              | 11,110,375                | 7,173,199               | 28,632,715                    | 42,742,432   | 4,909,358                                  | 845,301                      | 9,308,499                       |
| 17 Depletable assets                                       | 2,220,305                | 3,230                  | 2,053,997                 | 110,358                 | 835,636                       | 23,400,459   | 15,749                                     | 20                           | 339,260                         |
| 18 Less: Accumulated depletion                             | 90,476                   | 649                    | 407,046                   | 1,370                   | 202,371                       | 10,455,431   | 26   | —                            | 84,945                          |
| 19 Land  | 419,314                  | 109,414                | 917,437                   | 750,033                 | 1,272,501                     | 3,964,183  | 189,779                                    | 40,170                       | 554,108                         |
| 20 Intangible assets (amortizable)                         | 34,597                   | 24,540                 | 115,344                   | 749,779                 | 799,496                       | 2,520,003  | 53,672                                     | 9,410                        | 53,142                          |
| 21 Less: Accumulated amortization                          | 9,756                    | 7,245                  | 26,129                    | 114,467                 | 170,018                       | 1,861,603  | 18,632                                     | 2,333                        | 14,789                          |
| 22 Other assets  | 803,818                  | 193,416                | 552,957                   | 2,021,601               | 2,134,697                     | 6,388,226  | 355,601                                    | 123,910                      | 390,369                         |
| 23 Total liabilities                                       | 26,749,927               | 6,253,594              | 31,205,484                | 30,000,572              | 96,515,758                    | 190,076,644  | 18,737,445                                 | 5,040,981                    | 24,594,786                      |
| 24 Accounts payable  | 2,035,681                | 774,967                | 2,746,568                 | 2,910,138               | 9,610,183                     | 31,038,978   | 2,331,247                                  | 2,550,898                    |                                 |
| 25 Mortgages, notes, and bonds payable                     |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 26 in less than one year                                   | 2,340,560                | 512,710                | 1,037,826                 | 1,942,997               | 3,318,527                     | 4,590,225  | 1,017,827                                  | 572,353                      | 949,109                         |
| 27 Other current liabilities                               | 2,710,130                | 592,625                | 2,960,523                 | 3,568,476               | 9,269,445                     | 10,995,239   | 2,321,939                                  | 370,257                      | 2,461,878                       |
| 28 Loans from stockholders                                 | 354,440                  | 164,330                | 125,434                   | 572,614                 | 417,148                       | 341,614  | 225,003                                    | 55,656                       | 322,084                         |
| 29 Mortgages, notes, and bonds payable                     |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 30 in one year or more                                     | 6,104,908                | 971,544                | 6,920,145                 | 4,239,240               | 20,956,829                    | 34,430,968   | 4,114,206                                  | 737,381                      | 5,335,815                       |
| 31 Other liabilities                                       | 918,000                  | 120,896                | 683,120                   | 1,446,836               | 2,686,371                     | 23,163,719   | 459,569                                    | 108,116                      | 662,629                         |
| 32 Capital stock   | 1,932,442                | 712,579                | 3,053,857                 | 2,285,521               | 7,256,858                     | 13,440,500   | 1,132,817                                  | 627,699                      | 2,136,802                       |
| 33 Paid-in or capital surplus                              | 3,471,245                | 351,457                | 3,057,668                 | 2,097,391               | 10,194,803                    | 27,744,552   | 1,699,116                                  | 466,071                      | 2,144,711                       |
| 34 Retained earnings, appropriated                         | 53,293                   | 31,472                 | 51,418                    | 329,230                 | 520,450                       | 618,400  | 63,610                                     | 26,978                       | 102,441                         |
| 35 Retained earnings, unappropriated                       | 7,136,707                | 2,104,331              | 10,846,222                | 11,086,088              | 33,098,015                    | 44,834,730   | 5,627,911                                  | 1,439,530                    | 8,282,721                       |
| 36 Less: Cost of treasury stock                            | 307,479                  | 83,317                 | 277,297                   | 476,959                 | 812,871                       | 1,122,281  | 255,800                                    | 88,930                       | 354,302                         |
| 37 Total receipts  | 36,730,091               | 12,273,572             | 41,740,792                | 44,323,860              | 117,388,663                   | 305,812,261  | 28,093,510                                 | 10,004,517                   | 31,197,579                      |
| 38 Business receipts                                       | 34,739,336               | 12,104,242             | 40,334,080                | 42,838,853              | 113,332,671                   | 295,293,920  | 27,464,285                                 | 9,823,768                    | 30,281,188                      |
| 39 Interest on Government obligations:                     |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 40 United States   | 6,229                    | 2,406                  | 17,024                    | 34,005                  | 65,212                        | 254,595  | 8,239                                      | 939                          | 14,322                          |
| 41 State and local   | 1,608                    | 2,552                  | 8,036                     | 11,704                  | 10,322                        | 3,879  | 1,345                                      | 1,528                        |                                 |
| 42 Other interest  | 252,887                  | 23,542                 | 159,016                   | 219,777                 | 691,253                       | 1,446,528  | 92,741                                     | 36,058                       | 145,812                         |
| 43 Rents   | 60,370                   | 15,135                 | 51,541                    | 164,762                 | 155,424                       | 813,696  | 46,232                                     | 20,563                       | 64,007                          |
| 44 Royalties   | 17,813                   | 3,867                  | 135,121                   | 105,975                 | 658,771                       | 596,021  | 44,540                                     | 3,957                        | 80,555                          |
| 45 Net short—term capital gain reduced by                  |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 46 net long—term capital loss                              | 2,290                    | *219                   | *5,689                    | 1,168                   | 4,617                         | *2,464   | *89  | *475                         | 244                             |
| 47 Net long—term capital gain reduced by                   |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 48 net short—term capital loss                             | 1,151,344                | 6,972                  | 539,510                   | 175,658                 | 265,171                       | 566,420  | 21,135                                     | 4,160                        | 84,799                          |
| 49 Net gain, noncapital assets                             | 62,472                   | 4,225                  | 23,916                    | 67,946                  | 81,520                        | 134,367  | 16,906                                     | 4,238                        | 45,042                          |
| 50 Dividends received from domestic corporations           | 105,932                  | 4,311                  | 124,182                   | 77,042                  | 466,603                       | 2,708,738  | 24,600                                     | 25,467                       | 64,469                          |
| 51 Dividends received from foreign corporations            | 26,595                   | 3,419                  | 160,149                   | 59,286                  | 767,657                       | 2,321,295  | 84,594                                     | *2,347                       | 73,673                          |
| 52 Other receipts  | 303,215                  | 102,682                | 185,113                   | 571,352                 | 888,060                       | 1,663,895  | 286,270                                    | 81,200                       | 341,940                         |
| 53 Total deductions  | 34,881,370               | 11,764,157             | 38,933,427                | 40,930,551              | 107,404,011                   | 287,281,714  | 26,976,436                                 | 9,542,351                    | 29,579,790                      |
| 54 Cost of sales and operations                            | 25,993,918               | 8,710,428              | 27,938,043                | 27,137,049              | 72,918,086                    | 246,287,244  | 19,402,129                                 | 7,117,062                    | 20,456,037                      |
| 55 Compensation of officers                                | 529,412                  | 292,082                | 339,925                   | 1,229,340               | 736,685                       | 210,542  | 407,885                                    | 152,492                      | 474,460                         |
| 56 Repairs   | 377,319                  | 48,503                 | 990,430                   | 235,968                 | 1,900,175                     | 2,334,888  | 331,603                                    | 49,570                       | 759,768                         |
| 57 Bad debts   | 87,947                   | 33,417                 | 53,577                    | 277,650                 | 177,633                       | 179,515  | 75,333                                     | 26,016                       | 103,012                         |
| 58 Rent paid on business property                          | 306,504                  | 142,342                | 315,916                   | 590,482                 | 1,070,858                     | 1,647,012  | 365,465                                    | 192,608                      | 284,749                         |
| 59 Taxes paid  | 901,803                  | 335,467                | 1,044,671                 | 1,320,286               | 2,466,661                     | 8,040,385  | 812,476                                    | 250,444                      | 931,357                         |
| 60 Interest paid   | 680,738                  | 125,748                | 653,127                   | 512,930                 | 1,928,340                     | 3,041,671  | 465,710                                    | 131,878                      | 550,234                         |
| 61 Contributions or gifts                                  | 15,802                   | 6,412                  | 29,890                    | 47,484                  | 77,768                        | 88,234   | 10,736                                     | 5,693                        | 20,616                          |
| 62 Amortization  | 8,857                    | 1,551                  | 13,585                    | 27,437                  | 27,150                        | 21,900   | 2,768                                      | 685                          | 4,794                           |
| 63 Depreciation  | 1,245,709                | 206,366                | 1,610,901                 | 1,161,846               | 4,430,009                     | 4,719,811  | 869,167                                    | 117,918                      | 1,302,444                       |
| 64 Depletion   | 1,263,830                | *1,274                 | 258,089                   | 46,092                  | 200,413                       | 1,135,220  | 1,745                                      | *352                         | 94,888                          |
| 65 Advertising   | 117,117                  | 112,088                | 252,490                   | 355,572                 | 3,136,554                     | 553,383  | 281,222                                    | 103,593                      | 187,374                         |
| 66 Pension, profit-sharing, stock bonus, and annuity plans | 212,374                  | 81,071                 | 475,046                   | 524,003                 | 1,710,333                     | 1,299,152  | 407,019                                    | 58,417                       | 418,100                         |
| 67 Employee benefit programs                               | 125,503                  | 82,829                 | 314,355                   | 345,932                 | 808,690                       | 437,394  | 298,719                                    | 41,060                       | 307,972                         |
| 68 Net loss, noncapital assets                             | 40,946                   | 2,836                  | 6,478                     | 11,133                  | 28,209                        | 47,508   | 14,996                                     | 11,534                       | 27,046                          |
| 69 Other deductions  | 2,973,591                | 1,581,743              | 4,636,904                 | 7,107,347               | 15,786,447                    | 16,937,851   | 3,229,463                                  | 1,283,029                    | 3,656,939                       |
| 70 Total receipts less total deductions                    | 1,848,721                | 509,415                | 2,807,365                 | 3,393,309               | 9,984,652                     | 18,530,551   | 1,117,074                                  | 462,166                      | 1,617,789                       |
| 71 Constructive taxable income from related                |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 72 foreign corporations                                    | *52,251                  | *3,262                 | 122,015                   | 38,973                  | 726,957                       | 1,465,585  | 24,723                                     | *720                         | 58,465                          |
| 73 Net income (less deficit) (line 64 plus 65 minus 37)    | 1,899,364                | 510,125                | 2,923,929                 | 3,424,246               | 10,699,905                    | 19,985,814   | 1,137,918                                  | 461,541                      | 1,674,726                       |
| 74 Net income  | 2,118,187                | 618,617                | 3,039,007                 | 3,724,173               | 11,071,334                    | 20,290,225   | 1,286,399                                  | 498,457                      | 1,849,177                       |
| 75 Deficit   | 218,823                  | 108,492                | 115,078                   | 299,927                 | 371,429                       | 304,411  | 148,481                                    | 36,916                       | 174,451                         |
| 76 Income subject to tax                                   | 1,916,266                | 584,999                | 2,950,859                 | 3,440,700               | 10,854,226                    | 17,709,308   | 1,210,285                                  | 436,727                      | 1,726,135                       |
| 77 Income tax, total                                       | 707,442                  | 258,168                | 1,312,898                 | 1,554,925               | 5,152,333                     | 8,417,860  | 553,082                                    | 199,591                      | 793,822                         |
| 78 Normal tax, surtax, and alternative tax                 | 697,158                  | 257,598                | 1,302,868                 | 1,549,617               | 5,130,817                     | 8,393,848  | 549,448                                    | 199,133                      | 783,765                         |
| 79 Tax from recomputing prior—year investment credit       | 4,086                    | 570                    | 3,999                     | 4,989                   | 18,745                        | 14,666   | 3,610                                      | 458                          | 5,901                           |
| 80 Tax from recomputing prior—year work                    |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 81 incentive (WIN) credit                                  | *16                      | —                      | *1                        | —                       | —                             | —  | —  | —                            | (*)                             |
| 82 Additional tax for tax preferences                      | 6,182                    | —                      | *6,030                    | *319                    | 2,770                         | *9,346   | *24  | —                            | 4,156                           |
| 83 Foreign tax credit                                      | 37,900                   | 3,723                  | 155,679                   | 52,313                  | 811,433                       | 4,092,822  | 62,962                                     | 3,464                        | 82,950                          |
| 84 U.S. possessions tax credit                             | —                        | —                      | 603                       | 651                     | 385,328                       | 15,822   | 706  | 1,069                        | 2,776                           |
| 85 Investment credit                                       | 134,126                  | 15,801                 | 186,522                   | 97,684                  | 616,229                       | 1,042,337  | 61,121                                     | 9,106                        | 101,574                         |
| 86 Work incentive (WIN) credit                             | 104                      | 107                    | 143                       | 148                     | 195                           | 23   | 221  | 49                           | 319                             |
| 87 Distributions to stockholders:                          |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 88 Cash and property except in own stock                   | 445,896                  | 66,354                 | 879,817                   | 679,124                 | 3,059,907                     | 5,239,066  | 282,412                                    | 83,623                       | 441,577                         |
| 89 Corporation's own stock                                 | 78,419                   | 11,271                 | 75,801                    | 13,972                  | 84,471                        | *35,280  | *22,128                                    | *8,306                       | 28,785                          |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Major industry—Continued |                           |                              |                                     |                              |   |                                  |   |
|--|--------------------------|---------------------------|------------------------------|-------------------------------------|------------------------------|---|----------------------------------|---|
|  | Manufacturing—Continued  |                           |                              |                                     |                              |   |                                  |   |
|  | Primary metal industries | Fabricated metal products | Machinery, except electrical | Electrical and electronic equipment | Motor vehicles and equipment | Transportation equipment, except motor vehicles | Instruments and related products | Miscellaneous manufacturing and manufacturing not allocable |
|  | (26)                     | (27)                      | (28)                         | (29)                                | (30)                         | (31)  | (32)                             | (33)  |
| 1 Number of returns, total   | 4,159                    | 29,266                    | 21,972                       | 11,054                              | 2,716                        | 3,282   | 5,664                            | 13,691  |
| 2 With net income  | 3,297                    | 19,895                    | 16,083                       | 6,917                               | 1,494                        | 2,167   | 3,689                            | **  |
| 3 Total assets   | 88,465,062               | 42,289,775                | 102,684,333                  | 84,312,312                          | 90,155,994                   | 33,455,298                                      | 17,840,671                       | 12,667,563  |
| 4 Cash   | 2,228,370                | 2,525,809                 | 3,665,232                    | 3,480,320                           | 2,176,954                    | 1,710,924                                       | 619,744                          | 687,432   |
| 5 Notes and accounts receivable                                      | 13,097,542               | 9,265,982                 | 24,676,570                   | 21,059,282                          | 39,041,071                   | 6,816,069                                       | 4,070,045                        | 3,340,542   |
| 6 Less: Allowance for bad debts                                      | 236,264                  | 210,477                   | 606,014                      | 558,116                             | 292,367                      | 124,637   | 80,633                           | 112,101   |
| 7 Inventories  | 15,383,477               | 10,764,947                | 25,790,394                   | 16,908,632                          | 14,859,250                   | 9,463,256                                       | 4,541,622                        | 3,563,857   |
| 8 Investments in Government obligations:                             |                          |                           |                              |                                     |                              |   |                                  |   |
| 9 United States  | 310,411                  | 247,898                   | 4,198,307                    | 862,092                             | 3,791,561                    | 40,722  | 303,802                          | 36,940  |
| 10 State and local   | 231,383                  | 55,023                    | 376,402                      | 108,519                             | 184,338                      | 3,142   | 365,869                          | 12,862  |
| 11 Other current assets  | 3,307,800                | 1,858,075                 | 6,700,790                    | 7,576,278                           | 1,953,104                    | 2,172,481                                       | 716,296                          | 539,269   |
| 12 Loans to stockholders   | 57,443                   | 127,237                   | 131,965                      | 205,217                             | 97,608                       | 11,641  | 27,951                           | 84,391  |
| 13 Mortgage and real estate loans                                    | 70,391                   | 55,266                    | 76,516                       | 112,501                             | 105,441                      | 437,471   | 27,082                           | 22,563  |
| 14 Other investments   | 13,578,593               | 4,431,190                 | 13,945,458                   | 13,567,261                          | 9,809,212                    | 4,653,380                                       | 1,714,750                        | 1,297,493   |
| 15 Depreciable assets  | 66,298,820               | 21,834,550                | 42,420,096                   | 31,823,169                          | 34,936,228                   | 14,723,488                                      | 9,040,806                        | 4,719,971   |
| 16 Less: Accumulated depreciation                                    | 33,814,095               | 10,639,066                | 21,379,837                   | 15,116,277                          | 20,338,844                   | 7,980,237                                       | 4,186,092                        | 2,299,035   |
| 17 Depletable assets   | 838,235                  | 131,519                   | 127,483                      | 71,148                              | *7,486                       | *49,620   | *748                             | *6,963  |
| 18 Less: Accumulated depletion                                       | 434,271                  | 15,586                    | 28,086                       | 24,857                              | *4,013                       | *11,068   | *222                             | *443  |
| 19 Land  | 966,865                  | 721,450                   | 817,107                      | 641,489                             | 773,188                      | 572,512   | 244,529                          | 187,979   |
| 20 Intangible assets (amortizable)                                   | 398,709                  | 281,144                   | 462,711                      | 323,604                             | 80,826                       | 55,924  | 156,909                          | 129,786   |
| 21 Less: Accumulated amortization                                    | 136,481                  | 102,130                   | 217,507                      | 96,761                              | 13,024                       | 20,345  | 41,981                           | 33,300  |
| 22 Other assets  | 6,318,134                | 956,944                   | 1,526,746                    | 3,368,811                           | 2,987,975                    | 880,955   | 319,446                          | 482,394   |
| 23 Total liabilities   | 88,465,062               | 42,289,775                | 102,684,333                  | 84,312,312                          | 90,155,994                   | 33,455,298                                      | 17,840,671                       | 12,667,563  |
| 24 Accounts payable  | 7,870,520                | 5,081,250                 | 13,855,624                   | 12,165,532                          | 9,673,412                    | 6,671,153                                       | 1,734,833                        | 1,615,947   |
| 25 Mortgages, notes, and bonds payable in less than one year         | 6,325,075                | 2,722,927                 | 6,093,912                    | 5,743,638                           | 17,217,449                   | 1,594,120                                       | 756,910                          | 1,110,111   |
| 26 Other current liabilities   | 7,356,877                | 4,597,557                 | 11,197,235                   | 11,038,024                          | 8,959,840                    | 5,081,898                                       | 2,175,316                        | 1,274,207   |
| 27 Loans from stockholders   | 249,233                  | 747,772                   | 3,407,705                    | 560,634                             | 359,486                      | 166,875   | 111,866                          | 210,542   |
| 28 Mortgages, notes, and bonds payable in one year or more           | 18,239,107               | 7,202,999                 | 17,311,630                   | 14,349,385                          | 19,932,593                   | 5,187,608                                       | 2,089,079                        | 2,255,544   |
| 29 Other liabilities   | 6,509,397                | 1,280,787                 | 3,021,312                    | 6,219,312                           | 1,503,661                    | 1,767,297                                       | 227,030                          | 193,286   |
| 30 Capital stock   | 7,919,982                | 3,631,711                 | 9,631,668                    | 4,767,067                           | 3,458,568                    | 2,290,939                                       | 1,472,778                        | 1,109,283   |
| 31 Paid-in or capital surplus  | 8,748,683                | 3,329,095                 | 10,627,637                   | 10,023,159                          | 5,626,333                    | 2,841,620                                       | 2,492,850                        | 1,474,422   |
| 32 Retained earnings, appropriated                                   | 353,922                  | 209,727                   | 739,981                      | 262,827                             | 778,261                      | 127,232   | 102,095                          | 47,841  |
| 33 Retained earnings, unappropriated                                 | 25,322,131               | 14,149,041                | 27,315,678                   | 20,389,388                          | 22,817,625                   | 8,000,251                                       | 6,774,913                        | 3,544,066   |
| 34 Less: Cost of treasury stock                                      | 429,865                  | 663,091                   | 518,058                      | 1,206,654                           | 171,234                      | 273,695   | 96,999                           | 167,686   |
| 35 Total receipts  | 92,547,893               | 68,466,367                | 108,669,843                  | 96,541,785                          | 114,164,092                  | 47,417,861                                      | 23,984,719                       | 20,623,628  |
| 36 Business receipts   | 90,690,574               | 67,127,383                | 100,710,559                  | 92,244,477                          | 110,443,485                  | 45,607,209                                      | 23,050,075                       | 20,060,721  |
| 37 Interest on Government obligations:                               |                          |                           |                              |                                     |                              |   |                                  |   |
| 38 United States   | 39,811                   | 28,683                    | 243,763                      | 43,571                              | 178,429                      | 3,566   | 16,032                           | 2,659   |
| 39 State and local   | 7,703                    | 4,340                     | 42,158                       | 134,729                             | 14,788                       | 5,037   | 6,825                            | 637   |
| 40 Other interest  | 616,135                  | 225,460                   | 1,220,261                    | 810,111                             | 1,487,286                    | 280,737   | 107,695                          | 123,619   |
| 41 Rents   | 183,554                  | 142,715                   | 2,232,069                    | 581,408                             | 409,759                      | 165,097   | 35,068                           | 35,068  |
| 42 Royalties   | 77,428                   | 87,528                    | 1,337,111                    | 336,952                             | 68,885                       | 78,138  | 113,104                          | 54,934  |
| 43 Net short-term capital gain reduced by net long-term capital loss | 3,618                    | 2,393                     | 5,325                        | 5,448                               | *7,574                       | *59   | *3,397                           | *17   |
| 44 Net long-term capital gain reduced by net short-term capital loss | 165,044                  | 108,195                   | 169,725                      | 440,970                             | 67,046                       | 81,740  | 36,214                           | 81,118  |
| 45 Net gain, noncapital assets                                       | 50,342                   | 61,039                    | 113,017                      | 121,036                             | 39,432                       | 38,216  | 7,036                            | 13,773  |
| 46 Dividends received from domestic corporations                     | 175,863                  | 79,784                    | 467,114                      | 463,112                             | 317,499                      | 307,013   | 195,952                          | 31,391  |
| 47 Dividends received from foreign corporations                      | 213,617                  | 125,778                   | 958,845                      | 569,698                             | 417,132                      | 71,867  | 154,509                          | 42,651  |
| 48 Other receipts  | 324,204                  | 473,069                   | 1,169,896                    | 790,273                             | 712,777                      | 779,182   | 258,824                          | 177,020   |
| 49 Total deductions  | 90,556,079               | 64,195,102                | 99,592,469                   | 90,571,853                          | 106,467,143                  | 46,263,921                                      | 21,749,809                       | 19,492,053  |
| 50 Cost of sales and operations                                      | 68,147,427               | 47,448,365                | 63,610,855                   | 62,132,955                          | 80,429,048                   | 34,412,386                                      | 13,761,155                       | 13,330,491  |
| 51 Compensation of officers  | 507,588                  | 1,608,244                 | 1,459,735                    | 877,137                             | 274,772                      | 283,084   | 330,504                          | 577,784   |
| 52 Repairs   | 3,900,963                | 755,021                   | 897,813                      | 572,457                             | 1,138,272                    | 398,405   | 331,936                          | 122,087   |
| 53 Bad debts   | 119,964                  | 160,464                   | 284,504                      | 326,761                             | 211,409                      | 93,756  | 46,412                           | 80,315  |
| 54 Rent paid on business property                                    | 539,818                  | 595,725                   | 1,086,397                    | 978,264                             | 568,706                      | 423,379   | 250,944                          | 234,314   |
| 55 Taxes paid  | 2,255,364                | 1,829,142                 | 3,165,359                    | 2,600,456                           | 2,911,917                    | 1,308,774                                       | 639,720                          | 537,433   |
| 56 Interest paid   | 2,000,480                | 871,857                   | 2,323,012                    | 1,880,744                           | 2,628,749                    | 676,293   | 234,041                          | 349,646   |
| 57 Contributions or gifts  | 28,258                   | 47,233                    | 85,709                       | 56,925                              | 95,819                       | 19,248  | 18,357                           | 12,953  |
| 58 Amortization  | 61,271                   | 14,807                    | 55,399                       | 27,130                              | 5,466                        | 6,193   | 9,454                            | 7,960   |
| 59 Depreciation  | 3,351,266                | 1,663,251                 | 4,036,416                    | 3,120,209                           | 3,231,929                    | 1,011,228                                       | 715,580                          | 398,975   |
| 60 Depletion   | 618,787                  | 14,802                    | 48,173                       | 50,883                              | *11,615                      | 20,838  | *1,310                           | *1,927  |
| 61 Advertising   | 257,607                  | 468,165                   | 743,901                      | 1,288,275                           | 739,196                      | 182,828   | 496,053                          | 440,691   |
| 62 Pension, profit-sharing, stock bonus, and annuity plans           | 2,017,372                | 826,036                   | 1,669,233                    | 1,308,010                           | 2,513,323                    | 934,292   | 407,925                          | 153,619   |
| 63 Employee benefit programs   | 1,197,925                | 550,313                   | 1,124,312                    | 1,013,926                           | 2,791,953                    | 623,351   | 195,389                          | 130,071   |
| 64 Net loss, noncapital assets                                       | 26,578                   | 22,476                    | 80,545                       | 25,859                              | 20,062                       | 15,996  | 14,571                           | 5,768   |
| 65 Other deductions  | 5,525,411                | 7,319,201                 | 18,921,106                   | 14,311,861                          | 8,894,907                    | 5,853,870                                       | 4,296,458                        | 3,108,019   |
| 66 Total receipts less total deductions                              | 1,991,814                | 4,271,265                 | 9,077,374                    | 5,969,932                           | 7,696,949                    | 1,153,940                                       | 2,234,910                        | 1,131,575   |
| 67 Constructive taxable income from related foreign corporations     | 175,431                  | 85,991                    | 840,490                      | 211,858                             | 285,151                      | 46,507  | 137,785                          | 33,009  |
| 68 Net income (less deficit) (line 64 plus 65 minus 37)              | 2,159,542                | 4,357,256                 | 9,875,706                    | 6,047,061                           | 7,967,312                    | 1,195,410                                       | 2,365,670                        | 1,163,947   |
| 69 Net income  | 2,649,711                | 4,753,067                 | 10,223,590                   | 6,602,417                           | 8,048,122                    | 1,736,705                                       | 2,519,925                        | **  |
| 70 Deficit   | 490,169                  | 400,151                   | 347,884                      | 555,356                             | 80,810                       | 541,295   | 154,055                          | **  |
| 71 Income subject to tax   | 2,513,991                | 4,409,388                 | 9,877,743                    | 6,188,884                           | 7,763,545                    | 1,614,782                                       | 2,444,411                        | 1,227,599   |
| 72 Income tax, total   | 1,195,076                | 2,005,555                 | 4,649,194                    | 2,878,589                           | 3,711,958                    | 760,175   | 1,153,533                        | 545,664   |
| 73 Normal tax, surtax, and alternative tax                           | 1,156,857                | 1,998,546                 | 4,622,959                    | 2,855,477                           | 3,703,114                    | 753,901   | 1,151,331                        | 543,936   |
| 74 Tax from recomputing prior-year investment credit                 | 6,467                    | 6,723                     | 23,162                       | 17,887                              | 8,025                        | 4,084   | 2,196                            | 1,633   |
| 75 Tax from recomputing prior-year work incentive (WIN) credit       | *7                       | *9                        | *1                           | *3                                  | *3                           | *10   | *1                               | —   |
| 76 Additional tax for tax preferences                                | 31,745                   | *277                      | 3,072                        | *5,222                              | *816                         | *2,180  | *6                               | *95   |
| 77 Foreign tax credit  | 238,438                  | 128,985                   | 1,079,397                    | 454,859                             | 405,462                      | 49,534  | 170,421                          | 39,386  |
| 78 U.S. possessions tax credit                                       | —                        | 6,023                     | 6,197                        | 148,519                             | 334                          | —   | 15,785                           | 14,441  |
| 79 Investment credit   | 160,098                  | 141,799                   | 308,694                      | 280,424                             | 290,795                      | 105,088   | 85,536                           | 30,605  |
| 80 Work incentive (WIN) credit                                       | 160                      | 342                       | 360                          | 452                                 | 2,475                        | 213   | 205                              | 477   |
| Distributions to stockholders:                                       |                          |                           |                              |                                     |                              |   |                                  |   |
| 81 Cash and property except in own stock                             | 1,253,866                | 638,261                   | 2,395,858                    | 1,429,957                           | 2,240,921                    | 441,774   | 565,937                          | 142,593   |
| 82 Corporation's own stock   | 152,996                  | 74,331                    | 69,838                       | 92,340                              | 27,330                       | 32,246  | 23,251                           | 28,225  |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item  | Major industry—Continued            |                |                    |   |                            |                 |                                      |  |                                     |
|---|-------------------------------------|----------------|--------------------|---|----------------------------|-----------------|--------------------------------------|--|-------------------------------------|
|   | Transportation and public utilities |                |                    |   | Wholesale and retail trade |                 |                                      |  |                                     |
|   | Total                               | Transportation | Communi-<br>cation | Electric,<br>gas, and<br>sanitary<br>services | Total                      | Wholesale trade |                                      |  |                                     |
|   |                                     |                |                    |   |                            | Total           | Groceries<br>and related<br>products | Machinery,<br>equipment,<br>and supplies | Miscellaneous<br>wholesale<br>trade |
|   | (34)                                | (35)           | (36)               | (37)  | (38)                       | (39)            | (40)                                 | (41)                                     | (42)                                |
| 1 Number of returns, total  | 81,373                              | 63,098         | 8,982              | 9,293   | 635,540                    | 226,857         | 20,292                               | 49,849                                   | 156,716                             |
| 2 With net income   | 49,612                              | 38,367         | 5,214              | 6,031   | 413,609                    | 162,789         | 14,860                               | 38,473                                   | 109,456                             |
| 3 Total assets  | 483,241,965                         | 115,783,975    | 133,073,471        | 237,384,519                                   | 368,793,060                | 190,248,638     | 16,519,917                           | 32,887,825                               | 140,840,896                         |
| 4 Cash  | 8,188,887                           | 4,465,882      | 1,315,087          | 2,407,918                                     | 24,291,434                 | 12,099,257      | 1,218,529                            | 2,099,862                                | 8,780,866                           |
| 5 Notes and accounts receivable   | 32,829,552                          | 13,046,512     | 7,896,171          | 11,886,869                                    | 98,576,568                 | 62,901,674      | 5,223,102                            | 10,795,537                               | 46,883,035                          |
| 6 Less: Allowance for bad debts   | 461,182                             | 194,318        | 109,826            | 157,038                                       | 2,094,439                  | 1,052,172       | 108,908                              | 177,819                                  | 765,445                             |
| 7 Inventories   | 15,265,600                          | 3,096,021      | 3,740,487          | 8,429,092                                     | 18,766,741                 | 56,188,212      | 4,739,280                            | 11,856,214                               | 39,592,718                          |
| Investments in Government obligations:                                  |                                     |                |                    |   |                            |                 |                                      |  |                                     |
| 8 United States   | 5,337,327                           | 2,085,103      | 1,833,550          | 1,418,674                                     | 988,813                    | 517,446         | 58,848                               | 74,370                                   | 384,228                             |
| 9 State and local   | 274,881                             | 237,604        | 34,133             | 3,144   | 328,219                    | 202,219         | 15,011                               | 21,032                                   | 166,176                             |
| 10 Other current assets   | 15,503,374                          | 5,843,120      | 2,572,066          | 7,088,188                                     | 12,372,567                 | 6,712,545       | 668,097                              | 839,066                                  | 5,205,382                           |
| 11 Loans to stockholders  | 422,072                             | 336,453        | 47,797             | 37,822  | 1,953,807                  | 766,070         | 102,840                              | 154,316                                  | 508,914                             |
| 12 Mortgage and real estate loans                                       | 626,720                             | 304,227        | 176,061            | 146,432                                       | 1,038,969                  | 488,165         | 50,334                               | 69,275                                   | 368,556                             |
| 13 Other investments  | 36,219,951                          | 14,644,707     | 9,969,354          | 11,605,890                                    | 30,664,018                 | 20,242,478      | 974,824                              | 2,194,518                                | 17,073,136                          |
| 14 Depreciable assets   | 471,540,941                         | 94,019,092     | 131,469,804        | 246,052,045                                   | 110,238,392                | 40,871,863      | 5,344,502                            | 6,230,650                                | 29,296,711                          |
| 15 Less: Accumulated depreciation                                       | 119,539,506                         | 32,378,735     | 28,598,520         | 58,562,735                                    | 47,081,035                 | 17,674,371      | 2,402,253                            | 2,671,864                                | 12,600,254                          |
| 16 Depletable assets  | 1,635,969                           | 151,710        | *1,343             | 1,482,916                                     | 665,585                    | 32,052          | *6,346                               | 30,120                                   | 286,586                             |
| 17 Less: Accumulated depletion  | 463,057                             | 53,160         | *241               | 409,656                                       | 178,569                    | 93,033          | *674                                 | 11,546                                   | 80,813                              |
| 18 Land   | 4,549,240                           | 1,633,949      | 562,662            | 2,352,629                                     | 8,861,126                  | 3,185,952       | 279,402                              | 431,332                                  | 2,475,218                           |
| 19 Intangible assets (amortizable)                                      | 1,492,634                           | 306,814        | 878,871            | 306,949                                       | 1,304,241                  | 491,862         | 41,377                               | 74,027                                   | 376,458                             |
| 20 Less: Accumulated amortization                                       | 383,590                             | 63,730         | 254,066            | 65,794  | 393,600                    | 142,821         | 11,467                               | 22,459                                   | 108,895                             |
| 21 Other assets   | 13,202,152                          | 8,302,240      | 1,538,738          | 3,361,174                                     | 8,490,223                  | 4,220,240       | 320,727                              | 901,194                                  | 2,998,319                           |
| 22 Total liabilities  | 486,241,965                         | 115,783,975    | 133,073,471        | 237,384,519                                   | 368,793,060                | 190,248,638     | 16,519,917                           | 32,887,825                               | 140,840,896                         |
| 23 Accounts payable   | 20,365,056                          | 7,582,292      | 3,844,405          | 8,938,359                                     | 75,230,861                 | 43,634,543      | 4,372,663                            | 5,935,510                                | 33,326,370                          |
| 24 Mortgages, notes, and bonds payable                                  |                                     |                |                    |   |                            |                 |                                      |  |                                     |
| in less than one year   | 20,192,120                          | 7,817,146      | 4,281,170          | 8,093,804                                     | 55,149,934                 | 31,747,000      | 2,195,697                            | 6,113,947                                | 23,437,356                          |
| 25 Other current liabilities  | 44,539,257                          | 14,112,788     | 13,684,828         | 16,741,641                                    | 30,386,187                 | 13,518,942      | 1,392,413                            | 2,228,353                                | 9,898,176                           |
| 26 Loans from stockholders  | 1,693,033                           | 1,080,849      | 350,443            | 261,741                                       | 9,783,155                  | 3,950,974       | 399,712                              | 812,610                                  | 2,738,652                           |
| 27 Mortgages, notes, and bonds payable                                  |                                     |                |                    |   |                            |                 |                                      |  |                                     |
| in one year or more   | 179,360,163                         | 34,260,557     | 46,975,011         | 98,124,595                                    | 49,267,489                 | 19,795,899      | 2,146,295                            | 3,341,701                                | 14,307,903                          |
| 28 Other liabilities  | 24,150,889                          | 8,460,578      | 5,717,617          | 9,972,694                                     | 9,694,291                  | 3,515,868       | 457,270                              | 553,880                                  | 2,504,718                           |
| 29 Capital stock  | 76,997,187                          | 9,238,908      | 18,158,983         | 49,599,296                                    | 30,806,178                 | 15,081,531      | 1,260,447                            | 2,397,811                                | 11,423,273                          |
| 30 Paid-in or capital surplus   | 47,082,664                          | 13,219,845     | 16,771,945         | 17,090,874                                    | 18,342,650                 | 8,432,800       | 570,335                              | 1,082,552                                | 6,779,913                           |
| 31 Retained earnings, appropriated                                      | 1,408,829                           | 605,039        | 177,570            | 627,220                                       | 2,268,551                  | 1,479,717       | 76,582                               | 117,671                                  | 1,285,464                           |
| 32 Retained earnings, unappropriated                                    | 71,430,571                          | 20,105,439     | 23,292,154         | 28,032,978                                    | 92,228,118                 | 51,219,238      | 3,803,351                            | 10,774,623                               | 36,641,264                          |
| 33 Less: Cost of treasury stock   | 978,804                             | 699,466        | 180,655            | 98,683  | 4,364,354                  | 2,127,874       | 154,848                              | 470,833                                  | 1,502,193                           |
| 34 Total receipts   | 282,758,334                         | 113,973,355    | 62,244,828         | 106,540,151                                   | 1,113,913,736              | 586,582,252     | 93,002,017                           | 70,905,888                               | 422,674,347                         |
| 35 Business receipts  | 273,404,567                         | 108,559,064    | 61,211,176         | 103,634,327                                   | 1,094,672,268              | 577,029,104     | 91,968,684                           | 69,157,436                               | 415,902,984                         |
| Interest on Government obligations:                                     |                                     |                |                    |   |                            |                 |                                      |  |                                     |
| 36 United States  | 153,639                             | 100,943        | 32,436             | 20,260  | 94,994                     | 52,643          | 3,776                                | 12,599                                   | 36,268                              |
| 37 State and local  | 24,147                              | 14,862         | 2,389              | 6,896   | 31,437                     | 20,169          | 2,633                                | 3,080                                    | 14,456                              |
| 38 Other interest   | 1,481,369                           | 625,033        | 257,568            | 598,768                                       | 3,778,216                  | 1,948,664       | 116,595                              | 394,881                                  | 1,437,188                           |
| 39 Rents  | 1,955,223                           | 1,406,705      | 237,673            | 310,845                                       | 2,367,832                  | 814,861         | 79,703                               | 253,156                                  | 482,002                             |
| 40 Royalties  | 346,796                             | 260,379        | 63,090             | 23,327  | 174,039                    | 68,361          | 4,800                                | 9,555                                    | 54,006                              |
| 41 Net short-term capital gain reduced by<br>net long-term capital loss | 37,635                              | 4,761          | 10,231             | 22,643  | 35,102                     | 18,773          | 1,632                                | 1,405                                    | 15,736                              |
| 42 Net long-term capital gain reduced by<br>net short-term capital loss | 600,536                             | 337,310        | 68,153             | 195,073                                       | 773,703                    | 424,140         | 34,121                               | 40,555                                   | 349,464                             |
| 43 Net gain, noncapital assets  | 625,165                             | 505,959        | 52,351             | 66,855  | 514,817                    | 295,864         | 40,151                               | 63,842                                   | 191,871                             |
| 44 Dividends received from domestic corporations                        | 259,327                             | 67,726         | 81,564             | 110,037                                       | 514,772                    | 384,013         | 19,173                               | 71,826                                   | 293,014                             |
| 45 Dividends received from foreign corporations                         | 155,154                             | 108,255        | 33,080             | 13,819  | 442,657                    | 358,992         | 3,002                                | 11,274                                   | 344,716                             |
| 46 Other receipts   | 3,714,776                           | 1,982,358      | 195,117            | 1,537,301                                     | 10,513,899                 | 5,166,568       | 727,747                              | 886,279                                  | 3,552,642                           |
| 47 Total deductions   | 268,312,149                         | 111,307,358    | 57,033,504         | 99,971,287                                    | 1,088,849,465              | 571,746,494     | 91,953,775                           | 66,966,798                               | 412,825,921                         |
| 48 Cost of sales and operations   | 168,957,540                         | 74,530,186     | 29,088,149         | 65,339,205                                    | 862,112,883                | 487,395,929     | 80,788,629                           | 51,861,551                               | 354,745,749                         |
| 49 Compensation of officers   | 2,225,535                           | 1,550,266      | 323,826            | 351,443                                       | 17,801,123                 | 8,779,865       | 903,721                              | 1,960,862                                | 5,915,282                           |
| 50 Repairs  | 379,288                             | 135,215        | 72,063             | 172,010                                       | 3,657,715                  | 1,316,228       | 228,976                              | 190,379                                  | 896,873                             |
| 51 Bad debts  | 905,675                             | 227,779        | 375,148            | 302,748                                       | 2,141,971                  | 1,065,524       | 116,599                              | 191,230                                  | 778,695                             |
| 52 Rent paid on business property                                       | 6,310,406                           | 4,984,998      | 853,282            | 472,126                                       | 14,468,026                 | 3,288,937       | 432,408                              | 512,435                                  | 2,344,094                           |
| 53 Taxes paid   | 17,368,233                          | 5,041,638      | 4,421,244          | 7,905,351                                     | 15,591,445                 | 6,258,419       | 655,533                              | 840,582                                  | 4,762,304                           |
| 54 Interest paid  | 14,514,247                          | 3,072,073      | 3,670,632          | 7,771,542                                     | 8,786,759                  | 4,303,861       | 366,977                              | 743,452                                  | 3,193,432                           |
| 55 Contributions or gifts   | 130,190                             | 33,756         | 46,394             | 50,040  | 247,458                    | 114,038         | 11,207                               | 20,283                                   | 82,548                              |
| 56 Amortization   | 211,605                             | 102,712        | 12,279             | 96,614  | 72,468                     | 28,032          | 2,221                                | 2,860                                    | 22,951                              |
| 57 Depreciation   | 24,936,217                          | 5,949,288      | 9,266,406          | 9,720,523                                     | 9,839,550                  | 3,802,234       | 497,651                              | 745,327                                  | 2,559,256                           |
| 58 Depletion  | 241,800                             | 54,020         | *162               | 187,618                                       | 79,139                     | 43,869          | 2,913                                | 3,512                                    | 37,444                              |
| 59 Advertising  | 897,419                             | 550,077        | 244,111            | 103,231                                       | 10,026,509                 | 2,182,736       | 219,339                              | 315,120                                  | 1,648,277                           |
| 60 Pension, profit-sharing, stock bonus, and annuity plans              | 4,819,738                           | 1,324,628      | 2,449,229          | 1,045,881                                     | 3,244,821                  | 1,578,802       | 205,237                              | 290,062                                  | 1,083,503                           |
| 61 Employee benefit programs  | 2,465,697                           | 966,098        | 1,037,067          | 462,532                                       | 2,283,969                  | 874,052         | 137,930                              | 163,994                                  | 572,128                             |
| 62 Net loss, noncapital assets  | 412,754                             | 370,140        | 14,090             | 28,524  | 250,100                    | 73,624          | 15,633                               | 6,237                                    | 51,754                              |
| 63 Other deductions   | 23,535,805                          | 12,414,484     | 5,159,422          | 5,961,899                                     | 138,245,529                | 50,619,344      | 7,368,801                            | 9,118,912                                | 34,131,631                          |
| 64 Total receipts less total deductions                                 | 14,446,185                          | 2,665,997      | 5,211,324          | 6,568,864                                     | 25,064,271                 | 14,835,758      | 1,048,242                            | 3,939,090                                | 9,848,426                           |
| 65 Constructive taxable income from related<br>foreign corporations     | 77,702                              | 37,788         | *27,395            | *12,519                                       | 989,830                    | 924,953         | *839                                 | 4,520                                    | 919,594                             |
| 66 Net income (less deficit) (line 64 plus 65 minus 37)                 | 14,499,740                          | 2,688,923      | 5,236,330          | 6,574,487                                     | 26,022,664                 | 15,740,542      | 1,046,448                            | 3,940,530                                | 10,753,564                          |
| 67 Net income   | 16,607,843                          | 4,356,094      | 5,377,410          | 6,874,339                                     | 30,752,208                 | 17,811,699      | 1,245,639                            | 4,227,480                                | 12,398,580                          |
| 68 Deficit  | 2,108,103                           | 1,667,171      | 141,080            | 299,852                                       | 4,729,544                  | 2,131,157       | 199,191                              | 286,950                                  | 1,645,016                           |
| 69 Income subject to tax  | 15,265,182                          | 3,509,703      | 5,193,398          | 6,562,081                                     | 22,239,955                 | 11,243,612      | 968,121                              | 2,122,226                                | 8,153,265                           |
| 70 Income tax, total  | 7,143,518                           | 1,545,376      | 2,486,484          | 3,111,658                                     | 9,144,428                  | 4,644,650       | 401,714                              | 841,138                                  | 3,401,798                           |
| 71 Normal tax, surtax, and alternative tax                              | 7,080,674                           | 1,527,297      | 2,459,946          | 3,093,431                                     | 9,101,065                  | 4,619,797       | 398,787                              | 833,884                                  | 3,387,126                           |
| 72 Tax from recomputing prior-year investment credit                    | 54,032                              | 17,042         | 26,503             | 10,487  | 40,891                     | 22,700          | 2,677                                | 7,211                                    | 12,812                              |
| 73 Tax from recomputing prior-year work<br>incentive (WIN) credit       | —                                   | —              | —                  | —   | —                          | —               | —                                    | —  | —                                   |
| 74 Additional tax for tax preferences                                   | 8,812                               | 1,037          | *35                | 7,740   | 2,464                      | 2,151           | *250                                 | *43                                      | 1,858                               |
| 75 Foreign tax credit   | 116,393                             | 51,125         | 42,942             | 22,326  | 688,894                    | 605,500         | 3,124                                | 10,425                                   | 591,501                             |
| 76 U.S. possessions tax credit  | 18,176                              | 120            | 18,007             | 49  | 17,500                     | 9,504           | 88                                   | 38                                       | 9,378                               |
| 77 Investment credit  | 3,234,961                           | 429,563        | 1,249,103          | 1,556,295                                     | 674,450                    | 267,435         | 35,818                               | 53,364                                   | 178,253                             |
| 78 Work incentive (WIN) credit  | 192                                 | 96             | *54                | 42  | 944                        | 403             | 45                                   | 85                                       | 273                                 |
| Distributions to stockholders:  |                                     |                |                    |   |                            |                 |                                      |  |                                     |
| 79 Cash and property except in own stock                                | 10,797,172                          | 1,162,560      | 3,370,347          | 6,264,265                                     | 5,402,867                  | 3,326,523       | 193,660                              | 934,249                                  | 2,198,614                           |
| 80 Corporation's own stock  | 179,602                             | 82,973         | 12,805             | 83,824  | 475,748                    | 251,541         | 18,514                               | 48,613                                   | 184,414                             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Item   | Major industry—Continued             |  |                            |             |   |                              |                                       |                            |                             |  |
|--|--------------------------------------|--|----------------------------|-------------|---|------------------------------|---------------------------------------|----------------------------|-----------------------------|--|
|  | Wholesale and retail trade—Continued |  |                            |             |   |                              |                                       |                            |                             |  |
|  | Retail trade                         |  |                            |             |   |                              |                                       |                            |                             |  |
|  | Total                                | Building materials, garden supplies, and mobile home dealers | General merchandise stores | Food stores | Automotive dealers and service stations | Apparel and accessory stores | Furniture and home furnishings stores | Eating and drinking places | Miscellaneous retail stores | Wholesale and retail trade not allocable |
|  | (43)                                 | (44)   | (45)                       | (46)        | (47)                                    | (48)                         | (49)                                  | (50)                       | (51)                        | (52)                                     |
| 1 Number of returns, total                                       | 407,666                              | 30,988   | 9,322                      | 31,370      | 70,693                                  | 38,497                       | 33,410                                | 84,964                     | 108,422                     | 1,017                                    |
| 2 With net income  | 250,419                              | 23,056   | 6,153                      | 19,088      | 45,970                                  | 24,572                       | 21,755                                | 44,262                     | 65,563                      | *401                                     |
| 3 Total assets   | 178,423,569                          | 12,549,274   | 52,308,893                 | 21,360,125  | 33,263,348                              | 10,132,945                   | 9,423,529                             | 14,671,188                 | 24,714,267                  | 120,853                                  |
| 4 Cash   | 12,185,854                           | 845,933  | 2,451,105                  | 1,563,452   | 2,109,132                               | 1,131,102                    | 766,232                               | 1,324,533                  | 1,994,365                   | 5,323                                    |
| 5 Notes and accounts receivable                                  | 35,641,016                           | 2,966,787  | 17,070,529                 | 1,588,548   | 4,775,703                               | 1,643,565                    | 2,852,505                             | 874,024                    | 4,069,355                   | 33,878                                   |
| 6 Less: Allowance for bad debts                                  | 1,040,730                            | 103,624  | 428,829                    | 34,526      | 125,832                                 | 44,531                       | 89,202                                | 10,677                     | 203,509                     | *1,537                                   |
| 7 Inventories  | 62,560,582                           | 4,967,935  | 13,894,928                 | 7,523,350   | 17,284,002                              | 4,159,360                    | 3,817,882                             | 915,951                    | 9,997,174                   | 17,947                                   |
| Investments in Government obligations:                           |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| 8 United States  | 471,367                              | 15,497   | 37,337                     | 120,284     | 66,594                                  | 65,837                       | 16,041                                | 80,284                     | 69,493                      | —  |
| 9 State and local  | 126,000                              | *2,268   | 5,996                      | *28,942     | 21,323                                  | 21,050                       | 14,255                                | 18,119                     | 14,047                      | —  |
| 10 Other current assets  | 5,657,103                            | 324,707  | 1,347,017                  | 854,411     | 893,870                                 | 512,324                      | 229,524                               | 614,312                    | 880,938                     | 2,919                                    |
| 11 Loans to stockholders   | 1,183,507                            | 79,763   | 72,445                     | 87,893      | 218,312                                 | 164,032                      | 82,562                                | 213,630                    | 265,170                     | *4,230                                   |
| 12 Mortgage and real estate loans                                | 550,804                              | 92,207   | 116,290                    | 66,566      | 62,765                                  | 30,040                       | 19,327                                | 98,178                     | 65,431                      | —  |
| 13 Other investments   | 10,382,646                           | 568,025  | 4,300,056                  | 1,478,749   | 916,544                                 | 624,226                      | 301,579                               | 938,372                    | 1,255,095                   | *38,894                                  |
| 14 Depreciable assets  | 69,344,534                           | 3,855,061  | 18,094,483                 | 12,797,596  | 8,883,135                               | 2,785,601                    | 2,067,102                             | 11,782,751                 | 9,078,085                   | 21,995                                   |
| 15 Less: Accumulated depreciation                                | 29,396,597                           | 1,799,670  | 7,231,528                  | 5,846,949   | 3,710,398                               | 1,306,692                    | 952,372                               | 4,334,573                  | 4,214,415                   | 10,067                                   |
| 16 Depletable assets   | 342,533                              | 16,549   | *86,930                    | 14,460      | 80,207                                  | *847                         | *1,991                                | *17,786                    | 123,763                     | —  |
| 17 Less: Accumulated depletion                                   | 85,536                               | *815   | *3,557                     | *7,684      | 22,728                                  | *145                         | *1,787                                | *379                       | 48,441                      | —  |
| 18 Land  | 5,672,853                            | 453,106  | 1,478,159                  | 679,312     | 1,124,540                               | 126,914                      | 232,313                               | 1,084,707                  | 493,802                     | *2,321                                   |
| 19 Intangible assets (amortizable)                               | 809,933                              | 27,399   | 56,248                     | 52,576      | 57,491                                  | 55,782                       | 23,325                                | 344,440                    | 122,672                     | *2,446                                   |
| 20 Less: Accumulated amortization                                | 250,597                              | 5,156  | 12,617                     | 19,381      | 22,192                                  | 18,346                       | 8,198                                 | 90,936                     | 73,771                      | *182                                     |
| 21 Other assets  | 4,668,297                            | 243,302  | 973,901                    | 412,526     | 650,880                                 | 181,979                      | 250,750                               | 800,666                    | 754,293                     | 1,686                                    |
| 22 Total liabilities   | 178,423,569                          | 12,549,274   | 52,308,893                 | 21,360,125  | 33,263,348                              | 10,132,945                   | 9,423,529                             | 14,671,188                 | 24,714,267                  | 120,853                                  |
| 23 Accounts payable  | 31,578,736                           | 1,960,885  | 10,771,934                 | 4,941,087   | 3,483,505                               | 1,839,549                    | 1,751,118                             | 1,665,368                  | 5,165,290                   | 17,582                                   |
| 24 Mortgages, notes, and bonds payable                           |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| in less than one year  | 23,392,199                           | 1,633,470  | 3,020,438                  | 932,295     | 12,978,169                              | 633,869                      | 1,114,175                             | 985,171                    | 2,094,612                   | *10,735                                  |
| 25 Other current liabilities                                     | 16,862,350                           | 928,626  | 6,170,106                  | 2,444,237   | 2,268,804                               | 911,485                      | 824,404                               | 1,315,606                  | 1,999,082                   | *4,895                                   |
| 26 Loans from stockholders                                       | 5,808,606                            | 457,113  | 462,083                    | 399,245     | 1,057,654                               | 514,970                      | 450,500                               | 1,293,991                  | 1,173,050                   | *23,575                                  |
| 27 Mortgages, notes, and bonds payable                           |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| in one year or more  | 29,448,194                           | 1,790,451  | 9,857,082                  | 3,654,593   | 3,830,297                               | 1,190,845                    | 1,164,650                             | 4,308,076                  | 3,652,200                   | *23,396                                  |
| 28 Other liabilities   | 6,174,489                            | 285,641  | 3,047,588                  | 531,268     | 583,181                                 | 241,894                      | 445,226                               | 396,803                    | 642,888                     | *3,934                                   |
| 29 Capital stock   | 15,711,998                           | 1,442,499  | 3,262,704                  | 1,598,585   | 3,054,121                               | 1,216,702                    | 1,128,843                             | 1,539,213                  | 2,469,311                   | 12,649                                   |
| 30 Paid-in or capital surplus                                    | 9,900,166                            | 532,202  | 2,916,245                  | 1,742,378   | 790,857                                 | 601,475                      | 361,621                               | 1,319,078                  | 1,636,310                   | *9,684                                   |
| 31 Retained earnings, appropriated                               | 788,834                              | 45,981   | 220,116                    | 44,907      | 136,883                                 | 53,772                       | 105,477                               | 33,479                     | 148,119                     | —  |
| 32 Retained earnings, unappropriated                             | 40,993,895                           | 3,667,107  | 12,918,346                 | 5,288,918   | 5,564,999                               | 3,120,774                    | 2,237,420                             | 2,061,693                  | 6,134,638                   | 14,985                                   |
| 33 Less: Cost of treasury stock                                  | 2,235,898                            | 194,701  | 337,749                    | 217,388     | 485,222                                 | 192,390                      | 159,905                               | 247,290                    | 401,253                     | *582                                     |
| 34 Total receipts  | 527,191,774                          | 29,646,845   | 88,078,953                 | 122,972,502 | 139,211,010                             | 23,094,251                   | 20,990,310                            | 35,697,594                 | 67,500,309                  | 139,710                                  |
| 35 Business receipts   | 517,516,840                          | 29,027,428   | 85,532,755                 | 121,849,347 | 137,139,090                             | 22,559,848                   | 20,292,358                            | 34,857,091                 | 66,258,923                  | 126,324                                  |
| Interest on Government obligations:                              |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| 36 United States   | 42,310                               | 2,653  | 5,552                      | 11,358      | 5,083                                   | 3,441                        | 1,534                                 | 6,795                      | 5,894                       | *41                                      |
| 37 State and local   | 11,268                               | 1,659  | 652                        | 1,518       | 1,299                                   | 2,616                        | 730                                   | 1,393                      | 1,401                       | *1                                       |
| 38 Other interest  | 1,828,143                            | 116,451  | 625,470                    | 97,051      | 564,209                                 | 85,071                       | 124,726                               | 71,284                     | 143,881                     | *1,409                                   |
| 39 Rents   | 1,552,767                            | 102,512  | 445,740                    | 216,131     | 348,355                                 | 75,101                       | 53,097                                | 161,809                    | 150,022                     | *204                                     |
| 40 Royalties   | 105,678                              | 815  | 1,441                      | 13,406      | 5,487                                   | *5,160                       | 1,194                                 | 62,544                     | 15,631                      | —  |
| 41 Net short-term capital gain reduced                           |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| by net long-term capital loss                                    | 16,329                               | 748  | *144                       | 461         | 1,358                                   | *138                         | *195                                  | 11,021                     | 2,264                       | *1                                       |
| 42 Net long-term capital gain reduced                            |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| by net short-term capital loss                                   | 349,500                              | 43,838   | 75,557                     | 33,688      | 56,872                                  | 11,911                       | 12,145                                | 51,545                     | 63,844                      | *63                                      |
| 43 Net gain, noncapital assets                                   | 218,943                              | 20,403   | 14,584                     | 30,661      | 69,251                                  | 4,831                        | 6,657                                 | 37,583                     | 34,973                      | *10                                      |
| 44 Dividends received from domestic corporations                 | 130,578                              | 9,767  | 52,659                     | 5,603       | 11,561                                  | 33,535                       | 2,444                                 | 5,394                      | 9,615                       | *181                                     |
| 45 Dividends received from foreign corporations                  | 83,665                               | *152   | 67,013                     | *6,454      | *1,893                                  | *1                           | *18                                   | *4,732                     | 3,403                       | —  |
| 46 Other receipts  | 5,335,753                            | 320,419  | 1,257,286                  | 706,824     | 1,006,552                               | 312,599                      | 495,212                               | 426,403                    | 810,458                     | *11,478                                  |
| 47 Total deductions  | 516,965,884                          | 28,690,757   | 85,316,188                 | 121,641,427 | 137,897,957                             | 22,264,144                   | 20,574,537                            | 34,828,460                 | 65,752,414                  | 137,087                                  |
| 48 Cost of sales and operations                                  | 374,631,095                          | 21,219,864   | 55,418,852                 | 95,138,936  | 116,064,036                             | 13,403,782                   | 13,077,552                            | 15,416,410                 | 44,891,663                  | 85,859                                   |
| 49 Compensation of officers                                      | 9,018,518                            | 863,590  | 371,626                    | 736,759     | 2,115,445                               | 751,288                      | 840,462                               | 1,194,181                  | 2,145,167                   | *2,740                                   |
| 50 Repairs   | 2,340,740                            | 135,392  | 424,231                    | 601,524     | 322,737                                 | 80,516                       | 80,744                                | 438,862                    | 256,734                     | 747                                      |
| 51 Bad debts   | 1,053,344                            | 134,095  | 319,082                    | 63,197      | 168,520                                 | 56,391                       | 105,008                               | 29,143                     | 177,908                     | *2,103                                   |
| 52 Rent paid on business property                                | 11,177,765                           | 366,912  | 2,304,362                  | 1,815,659   | 1,232,962                               | 1,358,529                    | 630,156                               | 1,718,279                  | 1,750,906                   | 1,324                                    |
| 53 Taxes paid  | 9,330,746                            | 560,448  | 2,086,123                  | 1,526,803   | 1,554,123                               | 502,842                      | 1,357,623                             | 1,318,430                  | 2,280                       | 2,280                                    |
| 54 Interest paid   | 4,481,443                            | 299,713  | 1,268,168                  | 385,660     | 1,232,610                               | 160,499                      | 210,491                               | 445,969                    | 478,333                     | 1,455                                    |
| 55 Contributions or gifts  | 133,346                              | 10,160   | 48,304                     | 16,551      | 16,592                                  | 9,446                        | 7,718                                 | 7,626                      | 16,949                      | *74                                      |
| 56 Amortization  | 44,436                               | 752  | 3,478                      | 2,462       | 3,624                                   | 4,345                        | 1,246                                 | 15,629                     | 12,900                      | *1                                       |
| 57 Depreciation  | 6,035,293                            | 330,421  | 1,250,914                  | 1,170,040   | 981,056                                 | 253,114                      | 183,060                               | 1,014,210                  | 852,478                     | *2,023                                   |
| 58 Depletion   | 35,270                               | 1,776  | 2,912                      | *986        | 13,029                                  | *2,225                       | *156                                  | *508                       | 13,680                      | —  |
| 59 Advertising   | 7,841,673                            | 314,694  | 2,212,799                  | 1,213,746   | 1,045,708                               | 510,505                      | 683,949                               | 647,895                    | 1,212,377                   | 2,100                                    |
| 60 Pension, profit-sharing, stock bonus, and annuity plans       | 1,665,269                            | 109,388  | 481,617                    | 452,451     | 163,361                                 | 82,049                       | 60,331                                | 91,222                     | 224,850                     | *750                                     |
| 61 Employee benefit programs                                     | 1,408,761                            | 65,133   | 263,171                    | 528,543     | 202,551                                 | 53,552                       | 44,855                                | 103,752                    | 147,204                     | *1,156                                   |
| 62 Net loss, noncapital assets                                   | 178,468                              | 22,649   | 6,253                      | 32,159      | 17,669                                  | 20,867                       | 7,807                                 | 52,060                     | 17,004                      | *8                                       |
| 63 Other deductions  | 87,591,717                           | 4,255,770  | 18,854,296                 | 17,955,951  | 12,763,934                              | 5,014,196                    | 4,216,648                             | 12,295,091                 | 12,235,831                  | 34,468                                   |
| 64 Total receipts less total deductions                          | 10,225,890                           | 956,088  | 2,762,765                  | 1,331,075   | 1,313,053                               | 830,107                      | 415,773                               | 868,134                    | 1,747,895                   | 2,623                                    |
| 65 Constructive taxable income from related foreign corporations | 64,877                               | —  | 54,400                     | *6,170      | *1,006                                  | —                            | *355                                  | *1,359                     | 1,587                       | —  |
| 66 Net income (less deficit) (line 64 plus 65 minus 37)          | 10,279,499                           | 954,429  | 2,816,513                  | 1,335,727   | 1,312,760                               | 827,491                      | 415,398                               | 869,100                    | 1,748,081                   | 2,623                                    |
| 67 Net income  | 12,871,946                           | 1,098,066  | 2,989,865                  | 1,693,017   | 1,748,490                               | 1,060,523                    | 599,107                               | 1,421,008                  | 2,261,870                   | *8,563                                   |
| 68 Deficit   | 2,592,447                            | 143,637  | 173,352                    | 357,290     | 435,730                                 | 233,032                      | 183,709                               | 551,908                    | 513,789                     | *5,940                                   |
| 69 Income subject to tax   | 10,991,010                           | 904,218  | 2,843,860                  | 1,545,047   | 1,401,033                               | 884,555                      | 472,337                               | 1,042,755                  | 1,897,205                   | *5,333                                   |
| 70 Income tax, total   | 4,497,707                            | 332,381  | 1,336,464                  | 684,428     | 485,795                                 | 352,226                      | 153,943                               | 405,810                    | 746,660                     | *2,071                                   |
| 71 Normal tax, surtax, and alternative tax                       | 4,479,206                            | 331,585  | 1,333,602                  | 679,845     | 480,598                                 | 351,777                      | 153,482                               | 403,925                    | 744,392                     | *2,062                                   |
| 72 Tax from recomputing prior-year investment credit             | 18,182                               | 795  | 2,856                      | 4,565       | 5,172                                   | 449                          | 397                                   | 1,865                      | 2,083                       | *9                                       |
| 73 Tax from recomputing prior-year work incentive (WIN) credit   | 3                                    | —  | *6                         | —           | *1                                      | —                            | —                                     | —                          | —                           | —  |
| 74 Additional tax for tax preferences                            | *16                                  | *1   | —                          | —           | *25                                     | *1                           | *64                                   | *20                        | *185                        | —  |
| 75 Foreign tax credit  | 83,843                               | *55  | 62,738                     | 7,291       | *38                                     | *47                          | *1                                    | 4,794                      | 8,879                       | *1                                       |
| 76 U.S. possessions tax credit                                   | 7,996                                | —  | 2,318                      | 4,298       | 184                                     | 1,131                        | —                                     | 62                         | 3                           | —  |
| 77 Investment credit   | 406,953                              | 21,076   | 115,443                    | 92,294      | 38,212                                  | 14,552                       | 7,511                                 | 57,758                     | 60,107                      | *62                                      |
| 78 Work incentive (WIN) credit                                   | 541                                  | *20  | 165                        | 57          | 127                                     | *3                           | *18                                   | 52                         | 99                          | *1                                       |
| Distributions to stockholders:                                   |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| 79 Cash and property except in own stock                         | 2,069,605                            | 100,038  | 749,820                    | 277,844     | 187,144                                 | 198,232                      | 71,471                                | 210,447                    | 274,609                     | *6,739                                   |
| 80 Corporation's own stock                                       | 223,543                              | 18,770   | 40,657                     | 82,870      | 14,275                                  | 10,526                       | *11,406                               | 27,605                     | 17,434                      | *664                                     |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|    | Item  | Major industry—Continued            |                      |                                  |  |                    |  |                   |   |
|----|---|-------------------------------------|----------------------|----------------------------------|--|--------------------|--|-------------------|---|
|    |   | Finance, insurance, and real estate |                      |                                  |  |                    |  |                   |   |
|    |   | Total                               | Banking              | Credit agencies other than banks | Security, commodity brokers and services | Insurance          | Insurance agents, brokers, and service | Real estate       | Holding and other investment companies, except bank holding companies |
|    |   | (53)                                | (54)                 | (55)                             | (56)                                     | (57)               | (58)                                   | (59)              | (60)  |
| 1  | Number of returns, total .....  | 411,984                             | 14,705               | 49,804                           | 3,852                                    | 8,116              | 35,137                                 | 256,341           | 44,029  |
| 2  | With net income .....   | 246,789                             | 12,173               | 32,056                           | 2,336                                    | 6,093              | 24,776                                 | 143,147           | 26,208  |
| 3  | <b>Total assets .....</b>   | <b>2,549,799,105</b>                | <b>1,342,366,627</b> | <b>489,906,642</b>               | <b>41,084,876</b>                        | <b>464,192,787</b> | <b>9,463,275</b>                       | <b>98,228,858</b> | <b>104,556,040</b>  |
| 4  | Cash .....  | 224,101,900                         | 193,394,806          | 14,470,789                       | 1,074,421                                | 6,004,646          | 1,793,013                              | 4,869,673         | 2,494,552   |
| 5  | Notes and accounts receivable .....                                     | 751,374,378                         | 647,851,468          | 58,345,797                       | 16,319,994                               | 11,095,347         | 3,580,980                              | 9,463,001         | 4,717,791   |
| 6  | Less: Allowance for bad debts .....                                     | 24,065,977                          | 8,478,924            | 13,894,922                       | 29,044                                   | 141,143            | 81,462                                 | 341,774           | 1,098,708   |
| 7  | Inventories .....   | 4,076,011                           | 163,164              | 1,304,054                        | *37,085                                  | 1,071,272          | *1,909                                 | 1,443,609         | 54,918  |
| 8  | Investments in Government obligations:                                  |                                     |                      |                                  |  |                    |  |                   |   |
| 9  | United States .....   | 185,443,730                         | 138,781,587          | 19,923,303                       | 3,336,828                                | 19,611,986         | 245,626                                | 510,935           | 3,033,465   |
| 10 | State and local .....   | 143,776,707                         | 102,023,692          | 1,832,211                        | 332,097                                  | 38,283,329         | 147,429                                | 187,237           | 970,712   |
| 11 | Other current assets .....  | 69,905,723                          | 21,630,260           | 7,304,586                        | 14,239,981                               | 14,413,825         | 398,190                                | 7,902,950         | 4,015,931   |
| 12 | Loans to stockholders .....   | 3,377,774                           | 185,638              | 1,035,528                        | 24,314                                   | 553,419            | 93,543                                 | 1,082,310         | 403,022   |
| 13 | Mortgage and real estate loans .....                                    | 592,393,299                         | 122,351,078          | 366,201,045                      | 88,723                                   | 92,373,780         | 25,362                                 | 4,027,731         | 7,325,580   |
| 14 | Other investments .....   | 438,715,758                         | 78,660,895           | 19,468,815                       | 3,894,083                                | 252,726,036        | 1,770,268                              | 8,102,697         | 74,092,964  |
| 15 | Depreciable assets .....  | 110,675,846                         | 24,317,794           | 10,366,540                       | 838,672                                  | 8,556,324          | 995,253                                | 59,789,586        | 5,811,677   |
| 16 | Less: Accumulated depreciation .....                                    | 32,400,153                          | 5,483,094            | 3,255,350                        | 274,677                                  | 1,544,238          | 418,373                                | 20,436,339        | 988,082   |
| 17 | Depletable assets .....   | 1,451,912                           | 485,176              | 119,888                          | *2,288                                   | 19,635             | *316                                   | 490,687           | 333,922   |
| 18 | Less: Accumulated depletion .....                                       | 338,003                             | 1,502                | 72,151                           | *18                                      | 4,547              | *312                                   | 149,008           | 110,465   |
| 19 | Land .....  | 25,570,189                          | 2,463,118            | 2,454,227                        | 40,740                                   | 575,541            | 78,895                                 | 17,788,348        | 2,169,320   |
| 20 | Intangible assets (amortizable) .....                                   | 1,430,025                           | 193,864              | 200,899                          | 35,757                                   | 166,467            | 190,513                                | 506,704           | 135,821   |
| 21 | State: Accumulated amortization .....                                   | 425,256                             | 46,504               | 62,616                           | 17,875                                   | 31,056             | 61,958                                 | 157,387           | 47,860  |
| 22 | Other assets .....  | 54,735,242                          | 23,874,111           | 4,163,999                        | 1,141,507                                | 20,462,164         | 704,083                                | 3,147,898         | 1,241,480   |
| 23 | <b>Total liabilities .....</b>  | <b>2,549,799,105</b>                | <b>1,342,366,627</b> | <b>489,906,642</b>               | <b>41,084,876</b>                        | <b>464,192,787</b> | <b>9,463,275</b>                       | <b>98,228,858</b> | <b>104,556,040</b>  |
| 24 | Accounts payable .....  | 40,861,153                          | 5,121,790            | 4,001,222                        | 13,852,551                               | 9,089,004          | 3,873,377                              | 3,334,600         | 1,588,609   |
| 25 | Mortgages, notes, and bonds payable in less than one year .....         | 103,682,160                         | 28,105,100           | 42,488,584                       | 10,687,654                               | 3,934,299          | 479,421                                | 11,218,033        | 6,769,069   |
| 26 | Other current liabilities .....   | 1,583,366,467                       | 1,148,637,259        | 346,832,263                      | 8,059,452                                | 72,364,354         | 947,809                                | 4,477,112         | 2,048,218   |
| 27 | Loans from stockholders .....   | 9,554,985                           | 1,472,583            | 1,142,146                        | 99,757                                   | 1,116,579          | 139,692                                | 4,557,826         | 1,026,402   |
| 28 | Mortgages, notes, and bonds payable in one year or more .....           | 155,206,984                         | 26,340,645           | 60,587,155                       | 1,767,333                                | 7,211,761          | 685,767                                | 47,346,796        | 11,267,527  |
| 29 | Other liabilities .....   | 359,836,135                         | 36,159,754           | 10,144,947                       | 2,060,056                                | 300,960,829        | 511,907                                | 5,188,519         | 4,810,123   |
| 30 | Capital stock .....   | 61,195,557                          | 19,349,675           | 6,182,277                        | 676,903                                  | 5,902,822          | 676,487                                | 9,790,685         | 18,616,708  |
| 31 | Paid-in or capital surplus .....  | 119,994,930                         | 30,474,284           | 5,219,506                        | 1,932,907                                | 14,787,300         | 727,349                                | 7,701,947         | 59,151,637  |
| 32 | Retained earnings, appropriated .....                                   | 22,136,097                          | 6,118,474            | 3,243,709                        | 45,097                                   | 10,647,187         | 16,175                                 | 334,699           | 1,730,556   |
| 33 | Retained earnings, unappropriated .....                                 | 99,102,420                          | 41,057,591           | 10,697,697                       | 2,100,494                                | 38,896,317         | 1,569,705                              | 5,369,826         | —89,210   |
| 34 | Less: Cost of treasury stock .....                                      | 5,137,783                           | 470,528              | 632,864                          | 197,328                                  | 717,665            | 164,414                                | 1,091,185         | 1,863,799   |
| 35 | <b>Total receipts .....</b>   | <b>353,774,035</b>                  | <b>94,472,753</b>    | <b>47,469,958</b>                | <b>7,918,033</b>                         | <b>156,040,480</b> | <b>8,884,060</b>                       | <b>30,041,288</b> | <b>8,947,463</b>  |
| 36 | Business receipts .....   | 180,325,093                         | 11,316,427           | 11,366,452                       | 3,380,083                                | 127,483,260        | 8,533,543                              | 17,034,447        | 1,210,881   |
| 37 | Interest on Government obligations:                                     |                                     |                      |                                  |  |                    |  |                   |   |
| 38 | United States .....   | 8,893,323                           | 8,893,599            | 1,450,459                        | 248,315                                  | 1,057,400          | 13,017                                 | 43,908            | 262,625   |
| 39 | State and local .....   | 6,724,991                           | 4,570,608            | 128,715                          | 45,745                                   | 1,876,950          | 11,863                                 | 18,628            | 72,482  |
| 40 | Other interest .....  | 119,409,221                         | 64,015,240           | 32,529,288                       | 703,456                                  | 18,703,476         | 117,204                                | 1,032,822         | 2,307,731   |
| 41 | Rents .....   | 12,491,021                          | 1,439,051            | 408,143                          | 14,026                                   | 1,722,324          | 40,278                                 | 8,103,730         | 763,469   |
| 42 | Royalties .....   | 518,387                             | 6,901                | 5,881                            | 6,157                                    | 22,672             | *1,235                                 | 175,328           | 300,213   |
| 43 | Net short-term capital gain reduced by net long-term capital loss ..... | 235,235                             | 33,546               | 11,208                           | 18,603                                   | 66,600             | 1,120                                  | 31,274            | 72,884  |
| 44 | Net long-term capital gain reduced by net short-term capital loss ..... | 2,696,724                           | 203,234              | 242,789                          | 37,483                                   | 356,284            | 19,377                                 | 720,006           | 1,117,551   |
| 45 | Net gain, noncapital assets .....                                       | 5,670,470                           | 668,347              | 258,284                          | 3,069,207                                | 37,312             | 3,412                                  | 1,544,433         | 89,475  |
| 46 | Dividends received from domestic corporations .....                     | 4,824,535                           | 407,010              | 56,210                           | 51,890                                   | 2,039,521          | 19,843                                 | 110,681           | 2,139,380   |
| 47 | Dividends received from foreign corporations .....                      | 207,180                             | 72,165               | 10,920                           | 2,743                                    | 26,401             | 5,958                                  | 1,752             | 87,241  |
| 48 | Other receipts .....  | 8,701,859                           | 2,846,625            | 1,001,609                        | 340,325                                  | 2,648,280          | 117,210                                | 1,224,279         | 523,531   |
| 49 | <b>Total deductions .....</b>   | <b>329,381,282</b>                  | <b>86,722,742</b>    | <b>45,030,655</b>                | <b>7,079,648</b>                         | <b>148,370,719</b> | <b>8,189,912</b>                       | <b>28,757,278</b> | <b>5,230,328</b>  |
| 50 | Cost of sales and operations .....                                      | 91,445,496                          | 1,462,796            | 5,293,429                        | 221,912                                  | 75,506,913         | 2,241,425                              | 6,087,850         | 631,171   |
| 51 | Compensation of officers .....  | 9,210,805                           | 3,785,990            | 926,731                          | 729,922                                  | 692,632            | 1,237,075                              | 1,610,061         | 228,394   |
| 52 | Repairs .....   | 1,426,137                           | 433,302              | 169,603                          | 15,566                                   | 56,588             | 22,007                                 | 688,164           | 40,907  |
| 53 | Bad debts .....   | 6,987,596                           | 4,015,365            | 1,926,253                        | 36,000                                   | 277,677            | 66,408                                 | 231,648           | 434,245   |
| 54 | Rent paid on business property .....                                    | 4,806,995                           | 1,808,326            | 457,665                          | 285,340                                  | 1,105,522          | 221,926                                | 854,652           | 73,564  |
| 55 | Taxes paid .....  | 10,225,174                          | 2,490,039            | 817,896                          | 270,828                                  | 3,463,593          | 236,329                                | 2,695,334         | 251,155   |
| 56 | Interest paid .....   | 82,409,288                          | 47,044,683           | 27,026,489                       | 764,585                                  | 1,999,182          | 104,588                                | 4,264,167         | 1,205,594   |
| 57 | Contributions or gifts .....  | 187,435                             | 84,367               | 25,523                           | 8,465                                    | 35,665             | 7,087                                  | 19,941            | 6,387   |
| 58 | Amortization .....  | 107,524                             | 35,194               | 11,299                           | 5,845                                    | 11,884             | 8,658                                  | 22,802            | 11,842  |
| 59 | Depreciation .....  | 7,256,408                           | 2,740,951            | 692,510                          | 90,225                                   | 1,030,217          | 131,377                                | 2,379,776         | 191,352   |
| 60 | Depletion .....   | 97,320                              | 4,713                | 672                              | 4,497                                    | 9,646              | *316                                   | 31,677            | 45,799  |
| 61 | Advertising .....   | 2,458,035                           | 814,412              | 554,654                          | 62,214                                   | 396,793            | 77,991                                 | 534,566           | 17,405  |
| 62 | Pension, profit-sharing, stock bonus, and annuity plans .....           | 2,768,414                           | 1,049,059            | 251,883                          | 127,953                                  | 1,047,063          | 155,644                                | 106,926           | 30,186  |
| 63 | Employee benefit programs .....   | 1,165,750                           | 549,257              | 124,517                          | 52,137                                   | 285,570            | 74,255                                 | 68,145            | 11,869  |
| 64 | Net loss, noncapital assets .....                                       | 506,202                             | 181,511              | 54,705                           | 11,268                                   | 15,219             | 2,078                                  | 178,693           | 62,728  |
| 65 | Other deductions .....  | 108,322,703                         | 20,222,777           | 6,697,126                        | 4,392,891                                | 62,436,555         | 3,602,748                              | 8,982,876         | 1,987,730   |
| 66 | Total receipts less total deductions .....                              | 24,392,753                          | 7,750,011            | 2,439,303                        | 838,385                                  | 7,669,761          | 694,148                                | 1,284,010         | 3,717,135   |
| 67 | Constructive taxable income from related foreign corporations .....     | 127,506                             | 57,588               | 16,576                           | 3,365                                    | 9,171              | *5,444                                 | *208              | 35,154  |
| 68 | Net income (less deficit) (line 64 plus 65 minus 37) .....              | 17,795,268                          | 3,236,991            | 2,327,164                        | 796,005                                  | 5,801,982          | 687,729                                | 1,265,590         | 3,679,807   |
| 69 | Net income .....  | 23,540,814                          | 4,390,808            | 2,945,298                        | 858,607                                  | 6,736,616          | 797,390                                | 3,259,384         | 4,552,711   |
| 70 | Deficit .....   | 5,745,546                           | 1,153,817            | 618,134                          | 62,602                                   | 934,634            | 109,661                                | 1,993,794         | 872,904   |
| 71 | Income subject to tax .....   | 16,613,972                          | 3,987,518            | 2,734,804                        | 763,903                                  | 5,255,680          | 602,953                                | 2,476,469         | 792,645   |
| 72 | Income tax, total .....   | 7,203,750                           | 1,779,916            | 1,236,220                        | 350,955                                  | 2,480,241          | 233,602                                | 833,883           | 288,831   |
| 73 | Normal tax, surtax, and alternative tax .....                           | 7,136,159                           | 1,767,620            | 1,195,489                        | 350,573                                  | 2,476,045          | 232,806                                | 827,887           | 285,379   |
| 74 | Tax from recomputing prior-year investment credit .....                 | 16,655                              | 6,205                | 3,330                            | 191                                      | 3,316              | 649                                    | 2,470             | 494   |
| 75 | Tax from recomputing prior-year work incentive (WIN) credit .....       | 7                                   | ( <sup>1</sup> )     | *3                               | —  | ( <sup>1</sup> )   | —                                      | ( <sup>1</sup> )  | *4  |
| 76 | Additional tax for tax preferences .....                                | 50,929                              | 6,091                | 37,038                           | *191                                     | 880                | *147                                   | 3,628             | 2,954   |
| 77 | Foreign tax credit .....  | 836,470                             | 593,269              | 44,519                           | 5,374                                    | 130,818            | 6,093                                  | 2,440             | 53,957  |
| 78 | U.S. possessions tax credit .....                                       | 1,132                               | ( <sup>1</sup> )     | 684                              | —  | —                  | —                                      | 448               | —   |
| 79 | Investment credit .....   | 339,676                             | 179,348              | 44,020                           | 11,812                                   | 62,922             | 7,075                                  | 29,019            | 5,480   |
| 80 | Work incentive (WIN) credit .....                                       | 326                                 | 115                  | 15                               | *103                                     | 64                 | *5                                     | *1                | *23   |
| 81 | Distributions to stockholders:  |                                     |                      |                                  |  |                    |  |                   |   |
| 82 | Cash and property except in own stock .....                             | 9,590,282                           | 2,650,049            | 635,245                          | 103,425                                  | 1,875,919          | 173,063                                | 612,487           | 3,540,094   |
| 83 | Corporation's own stock .....   | 548,600                             | 322,229              | 34,745                           | 11,609                                   | 29,016             | *20,057                                | 20,078            | 110,866   |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 2.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|    | Item  | Major industry—Continued |                                 |                   |                   |  |                                   |                  | Nature of business not allocable |
|----|---|--------------------------|---------------------------------|-------------------|-------------------|--|-----------------------------------|------------------|----------------------------------|
|    |   | Services                 |                                 |                   |                   |  |                                   |                  |                                  |
|    |   | Total                    | Hotels and other lodging places | Personal services | Business services | Auto repair; miscellaneous repair services | Amusement and recreation services | Other services   |                                  |
|    |   | (61)                     | (62)                            | (63)              | (64)              | (65)                                       | (66)                              | (67)             | (68)                             |
| 1  | Number of returns, total  | 466,317                  | 17,867                          | 40,559            | 111,386           | 57,258                                     | 39,307                            | 199,940          | 2,825                            |
| 2  | With net income   | 266,212                  | 8,903                           | 25,206            | 64,065            | 32,934                                     | 20,364                            | 114,740          | 1,594                            |
| 3  | Total assets  | 99,489,782               | 12,769,747                      | 5,317,623         | 29,155,249        | 11,417,112                                 | 17,758,297                        | 23,071,754       | 747,276                          |
| 4  | Cash  | 8,926,925                | 612,851                         | 588,598           | 2,855,002         | 760,658                                    | 1,250,790                         | 2,859,026        | 73,602                           |
| 5  | Notes and accounts receivable                                     | 16,987,243               | 742,416                         | 1,014,652         | 7,452,722         | 1,712,358                                  | 1,704,086                         | 4,361,009        | 155,531                          |
| 6  | Less: Allowance for bad debts                                     | 549,417                  | 47,166                          | 24,405            | 166,442           | 42,650                                     | 90,536                            | 178,218          | 3,120                            |
| 7  | Inventories   | 4,651,469                | 237,509                         | 417,033           | 1,152,155         | 844,751                                    | 1,106,716                         | 893,305          | 161,380                          |
|    | Investments in Government obligations:                            |                          |                                 |                   |                   |  |                                   |                  |                                  |
| 8  | United States   | 482,244                  | 9,592                           | 6,777             | 245,065           | 23,749                                     | 91,911                            | 105,150          | *16,873                          |
| 9  | State and local   | 422,837                  | 16,484                          | *40,146           | 274,296           | *1,570                                     | 29,057                            | 61,284           | *11,940                          |
| 10 | Other current assets  | 5,712,153                | 402,270                         | 231,151           | 1,891,096         | 334,222                                    | 1,617,103                         | 1,236,311        | 20,258                           |
| 11 | Loans to stockholders   | 1,263,290                | 129,362                         | 69,478            | 334,083           | 127,239                                    | 145,157                           | 457,971          | 17,083                           |
| 12 | Mortgage and real estate loans                                    | 1,299,685                | 157,012                         | 10,694            | 249,508           | 42,056                                     | 678,336                           | 162,079          | *20,841                          |
| 13 | Other investments   | 10,814,863               | 1,300,960                       | 356,625           | 4,296,001         | 442,792                                    | 2,247,716                         | 2,170,769        | 50,660                           |
| 14 | Depreciable assets  | 65,836,839               | 11,371,129                      | 4,129,283         | 15,292,540        | 10,655,765                                 | 11,291,958                        | 13,096,164       | 279,584                          |
| 15 | Less: Accumulated depreciation                                    | 27,104,736               | 4,036,880                       | 2,191,647         | 7,067,143         | 4,216,928                                  | 5,051,369                         | 4,540,769        | 127,920                          |
| 16 | Depletable assets   | 156,685                  | 15,832                          | *3,542            | 77,404            | *4,820                                     | 4,618                             | 50,469           | *430                             |
| 17 | Less: Accumulated depletion                                       | 38,136                   | *1,742                          | *432              | 29,521            | *1,455                                     | *408                              | 4,578            | *52                              |
| 18 | Land  | 5,223,323                | 1,336,311                       | 285,123           | 668,036           | 433,379                                    | 1,418,732                         | 1,081,742        | 42,133                           |
| 19 | Intangible assets (amortizable)                                   | 1,799,277                | 127,232                         | 99,233            | 452,356           | 57,791                                     | 750,870                           | 311,795          | 2,431                            |
| 20 | Less: Accumulated amortization                                    | 734,486                  | 35,642                          | 31,211            | 115,066           | 17,503                                     | 448,268                           | 86,796           | 1,261                            |
| 21 | Other assets  | 4,339,724                | 432,217                         | 312,983           | 1,293,157         | 254,498                                    | 1,011,828                         | 1,035,041        | 26,883                           |
| 22 | Total liabilities   | 99,489,782               | 12,769,747                      | 5,317,623         | 29,155,249        | 11,417,112                                 | 17,758,297                        | 23,071,754       | 747,276                          |
| 23 | Accounts payable  | 9,257,487                | 596,369                         | 397,380           | 3,868,599         | 1,029,338                                  | 1,250,264                         | 2,115,537        | 71,260                           |
| 24 | Mortgages, notes, and bonds payable in less than one year         | 12,595,170               | 877,115                         | 433,241           | 4,435,659         | 2,296,672                                  | 2,188,282                         | 2,364,201        | 124,286                          |
| 25 | Other current liabilities   | 10,251,527               | 818,080                         | 543,071           | 3,226,578         | 775,866                                    | 2,286,436                         | 2,601,496        | 111,397                          |
| 26 | Loans from stockholders   | 4,417,302                | 748,256                         | 253,088           | 1,220,208         | 410,745                                    | 733,367                           | 1,051,638        | 43,330                           |
| 27 | Mortgages, notes, and bonds payable in one year or more           | 28,912,987               | 6,282,492                       | 1,079,109         | 6,386,764         | 3,702,119                                  | 4,859,482                         | 6,603,021        | 137,998                          |
| 28 | Other liabilities   | 4,614,793                | 434,479                         | 235,623           | 1,581,003         | 300,713                                    | 882,436                           | 1,180,539        | 16,963                           |
| 29 | Capital stock   | 9,422,721                | 1,285,304                       | 725,403           | 2,414,699         | 800,137                                    | 2,057,490                         | 2,139,688        | 94,588                           |
| 30 | Paid-in or capital surplus  | 10,157,058               | 1,288,884                       | 177,864           | 3,588,865         | 515,841                                    | 1,915,750                         | 2,669,854        | 55,242                           |
| 31 | Retained earnings, appropriated                                   | 377,915                  | 29,243                          | 41,974            | 102,920           | 28,490                                     | 57,308                            | 117,980          | —                                |
| 32 | Retained earnings, unappropriated                                 | 11,109,054               | 652,502                         | 1,564,372         | 2,827,694         | 1,680,563                                  | 1,757,725                         | 2,626,198        | 106,664                          |
| 33 | Less: Cost of treasury stock                                      | 1,626,232                | 242,977                         | 133,502           | 497,740           | 123,372                                    | 230,243                           | 398,398          | 14,452                           |
| 34 | Total receipts  | 150,157,645              | 10,439,590                      | 9,131,411         | 44,112,885        | 15,738,807                                 | 18,315,957                        | 52,418,995       | 1,356,346                        |
| 35 | Business receipts   | 143,763,070              | 9,770,882                       | 8,897,578         | 42,299,900        | 15,067,844                                 | 16,819,485                        | 50,907,381       | 1,319,895                        |
|    | Interest on Government obligations:                               |                          |                                 |                   |                   |  |                                   |                  |                                  |
| 36 | United States   | 43,494                   | 1,447                           | 759               | 23,669            | 1,495                                      | 6,223                             | 9,901            | 1,273                            |
| 37 | State and local   | 25,552                   | 1,153                           | 2,813             | 7,168             | *310                                       | 8,776                             | 5,332            | *477                             |
| 38 | Other interest  | 901,271                  | 77,305                          | 39,989            | 324,695           | 68,577                                     | 171,065                           | 219,640          | 9,182                            |
| 39 | Rents   | 1,187,179                | 131,150                         | 28,691            | 369,258           | 236,856                                    | 221,296                           | 199,928          | 4,568                            |
| 40 | Royalties   | 384,365                  | 52,368                          | *14,572           | 21,096            | 9,265                                      | 272,066                           | 14,998           | *11                              |
| 41 | Net short-term capital gain reduced by net long-term capital loss | 15,590                   | 1,556                           | *690              | 3,788             | *98  | 5,059                             | 4,399            | —                                |
| 42 | Net long-term capital gain reduced by net short-term capital loss | 362,683                  | 49,823                          | 17,431            | 83,989            | 29,532                                     | 99,852                            | 82,056           | 4,012                            |
| 43 | Net gain, noncapital assets                                       | 403,237                  | 26,667                          | 32,039            | 142,471           | 138,020                                    | 33,116                            | 30,924           | 2,609                            |
| 44 | Dividends received from domestic corporations                     | 168,656                  | 14,472                          | 5,128             | 46,223            | 10,814                                     | 71,937                            | 20,082           | *240                             |
| 45 | Dividends received from foreign corporations                      | 59,616                   | *6,484                          | *3,634            | 28,315            | *4,319                                     | 15,339                            | 1,525            | *85                              |
| 46 | Other receipts  | 2,842,932                | 306,283                         | 88,087            | 762,313           | 171,677                                    | 591,743                           | 922,829          | 13,994                           |
| 47 | Total deductions  | 145,865,287              | 10,302,214                      | 8,760,144         | 42,766,375        | 15,243,575                                 | 17,511,336                        | 51,281,643       | 1,338,521                        |
| 48 | Cost of sales and operations                                      | 73,751,536               | 4,859,244                       | 4,690,770         | 24,787,083        | 8,078,080                                  | 8,878,222                         | 22,458,137       | 910,136                          |
| 49 | Compensation of officers  | 15,269,961               | 227,144                         | 639,571           | 2,630,397         | 946,989                                    | 653,644                           | 10,172,216       | 90,640                           |
| 50 | Repairs   | 1,492,413                | 257,496                         | 119,296           | 289,083           | 287,825                                    | 254,118                           | 284,595          | 6,913                            |
| 51 | Bad debts   | 581,903                  | 51,498                          | 41,547            | 186,068           | 55,978                                     | 57,364                            | 189,448          | 1,975                            |
| 52 | Rent paid on business property                                    | 5,865,902                | 713,828                         | 420,364           | 1,337,497         | 625,065                                    | 783,726                           | 1,985,422        | 16,676                           |
| 53 | Taxes paid  | 5,190,491                | 613,617                         | 370,132           | 1,313,082         | 525,154                                    | 723,190                           | 1,645,316        | 27,946                           |
| 54 | Interest paid   | 3,375,243                | 594,762                         | 128,609           | 862,416           | 522,335                                    | 525,576                           | 741,545          | 22,339                           |
| 55 | Contributions or gifts  | 50,939                   | 3,808                           | 4,538             | 13,895            | 4,296                                      | 11,546                            | 12,856           | 513                              |
| 56 | Amortization  | 120,909                  | 6,924                           | 5,408             | 44,649            | 1,974                                      | 50,418                            | 11,536           | 1,110                            |
| 57 | Depreciation  | 7,292,624                | 639,932                         | 395,542           | 1,908,502         | 1,780,263                                  | 1,471,797                         | 1,096,588        | 26,704                           |
| 58 | Depletion   | 15,829                   | 141                             | —                 | 4,011             | *3,069                                     | *743                              | 7,865            | * <sup>(1)</sup>                 |
| 59 | Advertising   | 1,788,184                | 199,814                         | 148,013           | 536,178           | 132,828                                    | 515,601                           | 255,750          | 5,700                            |
| 60 | Pension, profit-sharing, stock bonus, and annuity plans           | 2,697,649                | 24,466                          | 57,259            | 390,833           | 54,982                                     | 98,441                            | 2,071,668        | 13,937                           |
| 61 | Employee benefit programs   | 796,646                  | 52,830                          | 37,417            | 233,132           | 66,532                                     | 70,422                            | 336,313          | 4,478                            |
| 62 | Net loss, noncapital assets                                       | 207,439                  | 20,876                          | 3,532             | 106,051           | 14,831                                     | 27,192                            | 34,957           | *41                              |
| 63 | Other deductions  | 27,367,619               | 2,035,834                       | 1,698,146         | 8,123,498         | 2,143,374                                  | 3,389,336                         | 9,977,431        | 209,413                          |
| 64 | Total receipts less total deductions                              | 4,292,358                | 137,376                         | 371,267           | 1,346,510         | 495,232                                    | 804,621                           | 1,137,352        | 17,825                           |
| 65 | Constructive taxable income from related foreign corporations     | 53,639                   | *716                            | *3,195            | 22,690            | *2,918                                     | *10,565                           | 13,555           | *53                              |
| 66 | Net income (less deficit) (line 64 plus 65 minus 37)              | 4,320,445                | 136,939                         | 371,649           | 1,362,032         | 497,840                                    | 806,410                           | 1,145,575        | 17,401                           |
| 67 | Net income  | 6,977,268                | 459,867                         | 483,460           | 2,130,027         | 700,878                                    | 1,220,955                         | 1,982,081        | 50,045                           |
| 68 | Deficit   | 2,656,823                | 322,928                         | 111,811           | 767,995           | 203,038                                    | 414,545                           | 836,506          | 32,644                           |
| 69 | Income subject to tax   | 5,185,160                | 338,251                         | 347,884           | 1,624,241         | 550,934                                    | 907,629                           | 1,416,221        | 38,007                           |
| 70 | Income tax, total   | 1,918,952                | 136,984                         | 124,841           | 630,437           | 194,993                                    | 385,976                           | 445,721          | 13,600                           |
| 71 | Normal tax, surtax, and alternative tax                           | 1,897,282                | 135,932                         | 123,066           | 623,881           | 190,239                                    | 383,301                           | 440,863          | 13,561                           |
| 72 | Tax from recomputing prior-year investment credit                 | 20,631                   | 910                             | 1,769             | 6,470             | 4,738                                      | 2,192                             | 4,552            | 39                               |
| 73 | Tax from recomputing prior-year work incentive (WIN) credit       | *20                      | *20                             | —                 | * <sup>(1)</sup>  | * <sup>(1)</sup>                           | —                                 | * <sup>(1)</sup> | —                                |
| 74 | Additional tax for tax preferences                                | 1,019                    | 122                             | *6                | *86               | *16  | *483                              | 306              | —                                |
| 75 | Foreign tax credit  | 93,278                   | *157                            | 4,315             | 35,099            | 5,308                                      | 40,473                            | 7,926            | *57                              |
| 76 | U.S. possessions tax credit                                       | 1,920                    | 36                              | —                 | 813               | 5  | —                                 | 1,066            | 552                              |
| 77 | Investment credit   | 299,346                  | 19,332                          | 16,558            | 91,867            | 50,199                                     | 60,342                            | 61,048           | 1,058                            |
| 78 | Work incentive (WIN) credit                                       | 948                      | *12                             | 41                | 373               | *198                                       | *7                                | 317              | —                                |
|    | Distributions to stockholders:                                    |                          |                                 |                   |                   |  |                                   |                  |                                  |
| 79 | Cash and property except in own stock                             | 1,148,065                | 80,619                          | 110,833           | 332,502           | 45,924                                     | 197,527                           | 380,660          | *1,800                           |
| 80 | Corporation's own stock   | 102,896                  | *2,424                          | *2,992            | 6,378             | *3,316                                     | *68,222                           | 19,564           | —                                |

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\* Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

\* Less than \$500 per return.

NOTE See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|    | Item  | All industries | Major industry                     |            |              |             |                        |                                    |
|----|---|----------------|------------------------------------|------------|--------------|-------------|------------------------|------------------------------------|
|    |   |                | Agriculture, forestry, and fishing | Mining     |              |             |                        |                                    |
|    |   |                |                                    | Total      | Metal mining | Coal mining | Oil and gas extraction | Nonmetallic minerals, except fuels |
|    |   | (1)            | (2)                                | (3)        | (4)          | (5)         | (6)                    | (7)                                |
| 1  | Number of returns with net income .....                                 | 1,273,535      | 35,805                             | 8,038      | 106          | 1,346       | 4,772                  | 1,814                              |
| 2  | Total assets .....  | 4,014,108,431  | 15,467,614                         | 62,565,231 | 4,889,777    | 8,648,167   | 43,281,334             | 5,745,953                          |
| 3  | Cash .....  | 263,801,987    | 1,121,106                          | 2,579,533  | 137,553      | 611,137     | 1,511,523              | 319,320                            |
| 4  | Notes and accounts receivable .....                                     | 975,071,881    | 1,384,667                          | 14,417,471 | 353,349      | 1,434,566   | 11,806,297             | 823,259                            |
| 5  | Less: Allowance for bad debts .....                                     | 26,920,671     | 10,117                             | 61,924     | *443         | 7,329       | 43,007                 | 11,145                             |
| 6  | Inventories .....   | 296,045,586    | 1,502,431                          | 3,084,104  | 391,385      | 436,290     | 1,577,981              | 678,448                            |
| 7  | Investments in Government obligations:                                  |                |                                    |            |              |             |                        |                                    |
| 8  | United States .....   | 171,496,602    | 50,507                             | 484,126    | *6,410       | 66,277      | 311,009                | 100,430                            |
| 9  | State and local .....   | 113,039,779    | 25,064                             | 78,894     | *2,616       | 37,587      | 27,022                 | *11,669                            |
| 10 | Other current assets .....  | 133,979,323    | 464,391                            | 2,498,970  | 509,882      | 594,099     | 1,261,007              | 133,982                            |
| 11 | Loans to stockholders .....   | 8,438,825      | 258,161                            | 897,761    | *41,980      | 41,276      | 799,178                | 15,327                             |
| 12 | Mortgage and real estate loans .....                                    | 547,155,731    | 161,460                            | 189,707    | *20          | 16,916      | 156,455                | 16,316                             |
| 13 | Other investments .....   | 611,797,868    | 1,261,767                          | 13,070,859 | 1,622,075    | 1,066,660   | 9,945,842              | 436,282                            |
| 14 | Depreciable assets .....  | 1,199,684,262  | 9,496,942                          | 30,671,467 | 2,377,780    | 5,563,780   | 18,049,819             | 4,680,088                          |
| 15 | Less: Accumulated depreciation .....                                    | 454,181,568    | 4,382,049                          | 11,550,126 | 934,749      | 2,209,011   | 6,142,751              | 2,263,615                          |
| 16 | Depletable assets .....   | 38,648,502     | 107,846                            | 5,361,824  | 313,736      | 553,176     | 4,133,296              | 361,616                            |
| 17 | Less: Accumulated depletion .....                                       | 14,892,452     | 13,566                             | 2,386,604  | 155,827      | 105,093     | 2,062,429              | 63,255                             |
| 18 | Land .....  | 49,303,996     | 3,302,839                          | 847,805    | 43,520       | 144,266     | 279,882                | 380,137                            |
| 19 | Intangible assets (amortizable) .....                                   | 12,115,525     | 30,571                             | 1,459,208  | *45,233      | 161,049     | 1,239,207              | 13,719                             |
| 20 | Less: Accumulated amortization .....                                    | 4,899,725      | 16,037                             | 516,250    | *23,056      | 45,537      | 445,172                | 2,485                              |
| 21 | Other assets .....  | 94,422,980     | 721,631                            | 1,438,406  | 158,313      | 288,058     | 876,175                | 115,860                            |
| 22 | Total liabilities .....   | 4,014,108,431  | 15,467,614                         | 62,565,231 | 4,889,777    | 8,648,167   | 43,281,334             | 5,745,953                          |
| 23 | Accounts payable .....  | 245,965,074    | 777,615                            | 4,500,802  | 176,818      | 564,964     | 3,367,503              | 391,517                            |
| 24 | Mortgages, notes, and bonds payable in less than one year .....         | 211,487,204    | 2,266,024                          | 2,488,952  | 161,038      | 839,638     | 1,264,258              | 224,018                            |
| 25 | Other current liabilities .....   | 1,502,425,888  | 596,617                            | 10,726,431 | 383,376      | 915,995     | 9,135,325              | 291,735                            |
| 26 | Loans from stockholders .....   | 25,134,948     | 710,504                            | 395,065    | *76,113      | 35,116      | 256,226                | 27,610                             |
| 27 | Mortgages, notes, and bonds payable in one year or more .....           | 510,551,834    | 3,693,416                          | 8,516,319  | 1,112,868    | 1,208,480   | 5,125,528              | 1,071,443                          |
| 28 | Other liabilities .....   | 417,718,637    | 620,190                            | 2,875,625  | 84,988       | 367,399     | 1,980,658              | 442,580                            |
| 29 | Capital stock .....   | 226,471,822    | 2,645,578                          | 2,391,763  | 281,679      | 322,483     | 1,235,741              | 551,860                            |
| 30 | Paid-in or capital surplus .....  | 263,181,899    | 1,130,369                          | 9,540,272  | 910,126      | 728,453     | 7,752,027              | 149,666                            |
| 31 | Retained earnings, appropriated .....                                   | 31,710,040     | 107,458                            | 2,659,238  | *28,604      | 111,724     | 2,503,781              | 15,129                             |
| 32 | Retained earnings, unappropriated .....                                 | 598,611,409    | 3,138,880                          | 18,779,508 | 1,696,528    | 3,604,115   | 10,793,899             | 2,684,966                          |
| 33 | Less: Cost of treasury stock .....                                      | 19,150,324     | 219,037                            | 308,744    | *22,361      | 48,200      | 133,612                | 104,571                            |
| 34 | Total receipts .....  | 3,152,050,626  | 23,725,078                         | 77,272,831 | 2,572,380    | 10,123,085  | 59,316,606             | 5,260,760                          |
| 35 | Business receipts .....   | 2,926,308,664  | 22,501,162                         | 74,976,043 | 2,416,058    | 9,778,280   | 57,704,011             | 5,077,694                          |
| 36 | Interest on Government obligations:                                     |                |                                    |            |              |             |                        |                                    |
| 37 | United States .....   | 11,005,053     | 6,319                              | 38,307     | 6,821        | 7,858       | 17,443                 | 6,185                              |
| 38 | State and local .....   | 5,198,787      | 2,778                              | 7,172      | *256         | 3,439       | 3,035                  | 442                                |
| 39 | Other interest .....  | 115,978,606    | 107,873                            | 348,955    | 20,601       | 71,622      | 231,775                | 24,957                             |
| 40 | Rents .....   | 19,749,678     | 120,823                            | 118,623    | 2,432        | 44,330      | 49,261                 | 22,600                             |
| 41 | Royalties .....   | 5,483,705      | 21,245                             | 156,688    | 10,381       | 5,254       | 133,351                | 7,702                              |
| 42 | Net short-term capital gain reduced by net long-term capital loss ..... | 322,333        | 3,057                              | 4,552      | *12          | 1,147       | 1,663                  | *1,730                             |
| 43 | Net long-term capital gain reduced by net short-term capital loss ..... | 8,672,688      | 236,538                            | 416,636    | 29,520       | 68,001      | 288,057                | 31,058                             |
| 44 | Net gain, noncapital assets .....                                       | 7,663,852      | 84,703                             | 148,432    | 952          | 27,499      | 104,998                | 14,983                             |
| 45 | Dividends received from domestic corporations .....                     | 11,017,954     | 21,355                             | 169,396    | 19,045       | 46,307      | 87,013                 | 17,031                             |
| 46 | Dividends received from foreign corporations .....                      | 7,293,516      | 1,450                              | 70,583     | *32,950      | *2,569      | 33,109                 | *1,955                             |
| 47 | Other receipts .....  | 33,355,790     | 617,955                            | 817,444    | 33,352       | 66,779      | 662,890                | 54,423                             |
| 48 | Total deductions .....  | 2,942,316,094  | 22,216,839                         | 46,353,689 | 2,387,839    | 8,984,550   | 30,067,208             | 4,914,092                          |
| 49 | Cost of sales and operations .....                                      | 2,078,389,758  | 16,145,528                         | 34,474,356 | 1,662,759    | 6,174,524   | 23,510,844             | 3,126,229                          |
| 50 | Compensation of officers .....  | 51,429,233     | 687,094                            | 459,020    | 11,445       | 101,474     | 241,235                | 104,866                            |
| 51 | Repairs .....   | 22,733,870     | 402,248                            | 515,468    | 22,884       | 175,825     | 163,690                | 153,069                            |
| 52 | Bad debts .....   | 9,802,668      | 27,697                             | 61,644     | *924         | 19,221      | 29,336                 | 12,163                             |
| 53 | Rent paid on business property .....                                    | 36,013,552     | 518,072                            | 291,137    | 7,853        | 96,170      | 133,984                | 53,130                             |
| 54 | Taxes paid .....  | 80,695,222     | 550,336                            | 1,105,643  | 126,534      | 417,356     | 408,460                | 153,293                            |
| 55 | Interest paid .....   | 110,433,466    | 457,910                            | 854,256    | 88,281       | 158,475     | 492,823                | 114,677                            |
| 56 | Contributions or gifts .....  | 1,468,878      | 11,133                             | 18,797     | 1,010        | 6,389       | 6,781                  | 4,617                              |
| 57 | Amortization .....  | 648,047        | 1,427                              | 8,498      | 2,612        | 653         | 4,535                  | 698                                |
| 58 | Depreciation .....  | 81,127,863     | 805,694                            | 1,994,003  | 135,814      | 558,165     | 972,331                | 327,693                            |
| 59 | Depletion .....   | 5,042,887      | 4,058                              | 1,117,871  | 113,933      | 429,920     | 397,086                | 176,932                            |
| 60 | Advertising .....   | 26,840,330     | 73,505                             | 47,424     | 967          | 2,770       | 21,236                 | 22,451                             |
| 61 | Pension, profit-sharing, stock bonus, and annuity plans .....           | 28,458,629     | 92,584                             | 280,812    | 40,860       | 64,964      | 130,320                | 44,668                             |
| 62 | Employee benefit programs .....   | 17,205,952     | 47,796                             | 249,367    | 9,065        | 158,544     | 49,685                 | 32,073                             |
| 63 | Net loss, noncapital assets .....                                       | 666,724        | 8,616                              | 9,070      | *78          | 987         | 6,279                  | 1,726                              |
| 64 | Other deductions .....  | 391,359,015    | 2,383,141                          | 4,866,323  | 162,820      | 619,113     | 3,498,583              | 585,807                            |
| 65 | Total receipts less total deductions .....                              | 209,734,532    | 1,508,239                          | 30,919,142 | 184,541      | 1,138,535   | 29,249,398             | 346,668                            |
| 66 | Constructive taxable income from related foreign corporations .....     | 5,870,655      | *956                               | 43,143     | *5,626       | *2,703      | 33,203                 | *1,611                             |
| 67 | Net income (line 63 plus 64 minus 36) .....                             | 210,406,400    | 1,506,417                          | 30,955,113 | 189,911      | 1,137,799   | 29,279,566             | 347,837                            |
| 68 | Income subject to tax .....   | 183,470,928    | 1,015,900                          | 30,389,014 | 148,412      | 1,012,992   | 28,935,560             | 292,050                            |
| 69 | Income tax, total .....   | 83,243,068     | 352,406                            | 14,546,047 | 72,494       | 483,271     | 13,855,082             | 135,200                            |
| 70 | Normal tax, surtax, and alternative tax .....                           | 82,793,693     | 348,736                            | 14,484,230 | 65,749       | 468,606     | 13,823,887             | 125,988                            |
| 71 | Tax from recomputing prior-year investment credit .....                 | 275,747        | 3,115                              | 10,372     | 57           | 2,770       | 6,598                  | 947                                |
| 72 | Tax from recomputing prior-year work incentive (WIN) credit .....       | 133            | *(1)                               | *(1)       | —            | —           | *(1)                   | —                                  |
| 73 | Additional tax for tax preferences .....                                | 173,495        | 555                                | 51,445     | 6,688        | 11,895      | 24,597                 | 8,265                              |
| 74 | Foreign tax credit .....  | 23,578,918     | 9,528                              | 13,348,618 | 18,896       | 114,861     | 13,192,009             | 22,852                             |
| 75 | U.S. possessions tax credit .....                                       | 703,429        | 59                                 | —          | —            | —           | —                      | —                                  |
| 76 | Investment credit .....   | 9,152,657      | 66,335                             | 215,251    | 10,942       | 74,241      | 98,101                 | 31,967                             |
| 77 | Work incentive (WIN) credit .....                                       | 9,352          | *9                                 | 41         | *8           | *29         | —                      | *4                                 |
| 78 | Distributions to stockholders:  |                |                                    |            |              |             |                        |                                    |
| 79 | Cash and property except in own stock .....                             | 51,709,325     | 212,407                            | 4,028,304  | 97,451       | 326,074     | 3,475,332              | 129,447                            |
| 80 | Corporation's own stock .....   | 2,361,078      | *8,525                             | 75,495     | *2,441       | *31,092     | 39,610                 | *2,352                             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Item   | Major industry—Continued |   |                                |                           |               |                           |                      |                       |                                    |
|--|--------------------------|---|--------------------------------|---------------------------|---------------|---------------------------|----------------------|-----------------------|------------------------------------|
|  | Construction             |   |                                |                           | Manufacturing |                           |                      |                       |                                    |
|  | Total                    | General building contractors and operative builders | Heavy construction contractors | Special trade contractors | Total         | Food and kindred products | Tobacco manufactures | Textile mill products | Apparel and other textile products |
|  | (8)                      | (9)   | (10)                           | (11)                      | (12)          | (13)                      | (14)                 | (15)                  | (16)                               |
| 1 Number of returns with net income .....                              | 111,248                  | 40,942  | 8,821                          | 61,485                    | 140,628       | 10,535                    | **                   | 3,377                 | 9,638                              |
| 2 Total assets .....   | 56,696,088               | 26,160,818  | 14,446,660                     | 16,088,610                | 929,480,305   | 70,452,386                | **                   | 15,306,008            | 13,184,968                         |
| 3 Cash .....   | 6,444,220                | 2,666,104   | 1,585,123                      | 2,192,993                 | 33,657,960    | 3,395,282                 | **                   | 717,446               | 961,213                            |
| 4 Notes and accounts receivable .....                                  | 15,234,097               | 5,851,369   | 3,761,884                      | 5,620,844                 | 209,827,777   | 13,368,443                | **                   | 3,888,641             | 3,984,141                          |
| 5 Less: Allowance for bad debts .....                                  | 130,141                  | 26,762  | 34,954                         | 68,425                    | 3,865,974     | 307,008                   | **                   | 65,695                | 79,114                             |
| 6 Inventories .....  | 9,034,168                | 5,930,495   | 753,080                        | 2,350,593                 | 162,440,552   | 15,252,294                | **                   | 4,391,822             | 4,512,531                          |
| Investments in Government obligations:                                 |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 7 United States .....  | 472,518                  | 206,970   | 189,763                        | 75,785                    | 15,796,605    | 569,010                   | **                   | 96,229                | 85,955                             |
| 8 State and local .....  | 193,069                  | 71,311  | 85,523                         | 36,235                    | 2,606,702     | 256,776                   | **                   | 28,944                | 21,341                             |
| 9 Other current assets .....   | 5,777,164                | 3,450,585   | 1,167,816                      | 1,158,763                 | 42,556,486    | 3,014,803                 | **                   | 334,009               | 411,308                            |
| 10 Loans to stockholders .....   | 573,756                  | 226,241   | 85,891                         | 261,624                   | 2,241,733     | 251,271                   | **                   | 53,315                | 57,691                             |
| 11 Mortgage and real estate loans .....                                | 465,208                  | 385,936   | 25,860                         | 53,412                    | 2,021,672     | 98,624                    | **                   | 5,459                 | 10,484                             |
| 12 Other investments .....   | 4,031,935                | 1,382,942   | 1,863,748                      | 785,245                   | 147,755,521   | 11,186,766                | **                   | 987,418               | 1,175,657                          |
| 13 Depreciable assets .....  | 21,443,682               | 6,452,554   | 9,136,310                      | 5,854,818                 | 483,859,246   | 36,393,347                | **                   | 10,752,518            | 3,248,850                          |
| 14 Less: Accumulated depreciation .....                                | 10,797,739               | 2,698,204   | 5,057,523                      | 3,042,012                 | 233,381,838   | 16,323,974                | **                   | 6,166,585             | 1,622,963                          |
| 15 Depletable assets .....   | 100,296                  | 25,493  | 64,018                         | 10,785                    | 29,714,801    | 34,401                    | **                   | *409                  | *3,198                             |
| 16 Less: Accumulated depletion .....                                   | 22,083                   | 4,325   | 16,031                         | 1,727                     | 11,561,298    | *14,494                   | **                   | *363                  | *1,472                             |
| 17 Land .....  | 2,143,473                | 1,418,375   | 363,645                        | 361,453                   | 13,450,529    | 1,243,227                 | **                   | 111,368               | 97,456                             |
| 18 Intangible assets (amortizable) .....                               | 128,222                  | 44,057  | 52,978                         | 31,187                    | 6,154,714     | 201,121                   | **                   | 25,342                | 33,736                             |
| 19 Less: Accumulated amortization .....                                | 40,564                   | 19,148  | 8,404                          | 13,012                    | 2,875,661     | 55,704                    | **                   | 9,253                 | 10,054                             |
| 20 Other assets .....  | 1,644,807                | 796,825   | 427,933                        | 420,409                   | 29,080,778    | 1,888,201                 | **                   | 154,984               | 295,010                            |
| 21 Total liabilities .....   | 56,696,088               | 26,160,818  | 14,446,660                     | 16,088,610                | 929,480,305   | 70,452,386                | **                   | 15,306,008            | 13,184,968                         |
| 22 Accounts payable .....  | 10,670,955               | 4,960,820   | 2,351,854                      | 3,358,281                 | 111,181,807   | 8,105,600                 | **                   | 1,828,958             | 2,360,499                          |
| 23 Mortgages, notes, and bonds payable                                 |                          |   |                                |                           |               |                           |                      |                       |                                    |
| in less than one year .....  | 6,415,233                | 4,219,830   | 873,483                        | 1,321,920                 | 57,960,767    | 4,205,049                 | **                   | 1,223,183             | 1,252,697                          |
| 24 Other current liabilities .....                                     | 7,890,620                | 3,646,872   | 1,936,163                      | 2,307,585                 | 89,604,262    | 7,032,843                 | **                   | 1,323,123             | 1,342,496                          |
| 25 Loans from stockholders .....                                       | 1,171,935                | 500,464   | 151,206                        | 520,265                   | 7,866,339     | 662,481                   | **                   | 110,957               | 139,288                            |
| 26 Mortgages, notes, and bonds payable                                 |                          |   |                                |                           |               |                           |                      |                       |                                    |
| in one year or more .....  | 7,307,643                | 3,807,097   | 1,937,131                      | 1,563,415                 | 164,393,212   | 11,514,923                | **                   | 2,071,687             | 1,372,998                          |
| 27 Other liabilities .....   | 4,919,897                | 2,805,668   | 998,863                        | 1,115,366                 | 50,174,462    | 1,968,009                 | **                   | 164,234               | 242,881                            |
| 28 Capital stock .....   | 3,493,434                | 1,167,648   | 1,061,451                      | 1,264,335                 | 69,633,995    | 5,559,467                 | **                   | 1,279,432             | 1,035,842                          |
| 29 Paid-in or capital surplus .....                                    | 1,893,867                | 736,063   | 803,987                        | 353,817                   | 96,744,108    | 5,775,072                 | **                   | 891,909               | 762,645                            |
| 30 Retained earnings, appropriated .....                               | 203,725                  | 86,480  | 55,167                         | 62,078                    | 4,943,890     | 529,289                   | **                   | 19,622                | 36,969                             |
| 31 Retained earnings, unappropriated .....                             | 13,563,801               | 4,504,166   | 4,504,427                      | 4,555,208                 | 284,830,305   | 25,756,716                | **                   | 6,586,358             | 4,824,865                          |
| 32 Less: Cost of treasury stock .....                                  | 835,022                  | 274,290   | 227,072                        | 333,660                   | 7,852,842     | 657,108                   | **                   | 193,455               | 186,212                            |
| 33 Total receipts .....  | 117,813,154              | 49,383,571  | 27,423,045                     | 41,006,538                | 1,329,123,383 | 154,626,677               | **                   | 27,962,609            | 30,005,429                         |
| 34 Business receipts .....   | 114,790,023              | 47,906,566  | 26,437,825                     | 40,445,632                | 1,283,902,831 | 152,035,150               | **                   | 27,607,512            | 29,619,951                         |
| Interest on Government obligations:                                    |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 35 United States .....   | 32,105                   | 13,416  | 11,652                         | 7,037                     | 1,003,371     | 43,841                    | **                   | 9,583                 | 5,105                              |
| 36 State and local .....   | 11,981                   | 5,038   | 3,809                          | 3,134                     | 280,790       | 17,407                    | **                   | 1,382                 | 1,382                              |
| 37 Other interest .....  | 436,968                  | 243,123   | 110,886                        | 82,959                    | 8,173,549     | 501,042                   | **                   | 49,747                | 65,173                             |
| 38 Rents .....   | 616,628                  | 386,809   | 134,996                        | 94,823                    | 5,286,033     | 243,043                   | **                   | 17,453                | 35,507                             |
| 39 Royalties .....   | 19,956                   | 10,422  | 7,098                          | 2,436                     | 3,980,031     | 209,557                   | **                   | 8,852                 | 37,524                             |
| 40 Net short—term capital gain reduced by                              |                          |   |                                |                           |               |                           |                      |                       |                                    |
| net long—term capital loss .....                                       | 7,632                    | 4,865   | 1,225                          | 1,542                     | 51,180        | 5,671                     | **                   | *68                   | *98                                |
| 41 Net long—term capital gain reduced by                               |                          |   |                                |                           |               |                           |                      |                       |                                    |
| net short—term capital loss .....                                      | 220,486                  | 130,630   | 51,883                         | 37,973                    | 3,957,789     | 117,866                   | **                   | 10,875                | 10,722                             |
| 42 Net gain, noncapital assets .....                                   | 209,785                  | 86,181  | 82,598                         | 41,006                    | 906,406       | 86,294                    | **                   | 21,415                | 5,016                              |
| 43 Dividends received from domestic corporations .....                 | 59,682                   | 18,633  | 34,885                         | 6,164                     | 5,731,115     | 158,136                   | **                   | 34,545                | 11,198                             |
| 44 Dividends received from foreign corporations .....                  | 60,875                   | 8,865   | 47,919                         | *4,091                    | 6,330,803     | 336,788                   | **                   | 22,185                | 11,468                             |
| 45 Other receipts .....  | 1,347,033                | 569,023   | 498,269                        | 279,741                   | 9,519,485     | 871,882                   | **                   | 177,534               | 202,285                            |
| 46 Total deductions .....  | 112,832,802              | 47,589,162  | 25,976,009                     | 39,267,631                | 1,238,379,823 | 146,909,157               | **                   | 26,530,695            | 28,466,403                         |
| 47 Cost of sales and operations .....                                  | 91,853,877               | 41,028,516  | 20,923,206                     | 29,902,155                | 931,357,880   | 115,271,178               | **                   | 21,320,122            | 22,170,229                         |
| 48 Compensation of officers .....                                      | 3,914,810                | 1,273,134   | 535,492                        | 2,106,184                 | 10,825,536    | 912,234                   | **                   | 317,295               | 670,494                            |
| 49 Repairs .....   | 625,172                  | 161,174   | 252,097                        | 211,901                   | 15,749,249    | 1,273,160                 | **                   | 238,410               | 59,218                             |
| 50 Bad debts .....   | 164,000                  | 44,564  | 25,620                         | 93,816                    | 2,229,765     | 146,135                   | **                   | 50,493                | 54,653                             |
| 51 Rent paid on business property .....                                | 697,275                  | 169,450   | 220,277                        | 307,548                   | 10,107,935    | 972,275                   | **                   | 193,661               | 291,983                            |
| 52 Taxes paid .....  | 2,372,465                | 710,293   | 521,069                        | 1,141,103                 | 35,786,654    | 4,113,206                 | **                   | 668,404               | 719,026                            |
| 53 Interest paid .....   | 1,108,414                | 590,658   | 267,146                        | 250,410                   | 18,657,259    | 1,312,641                 | **                   | 299,665               | 272,357                            |
| 54 Contributions or gifts .....  | 43,174                   | 16,874  | 11,888                         | 14,412                    | 790,390       | 71,583                    | **                   | 22,809                | 23,378                             |
| 55 Amortization .....  | 7,404                    | 5,542   | 363                            | 1,499                     | 256,862       | 14,129                    | **                   | 3,330                 | 1,767                              |
| 56 Depreciation .....  | 2,044,666                | 530,433   | 853,157                        | 661,076                   | 34,040,131    | 2,697,242                 | **                   | 734,038               | 257,780                            |
| 57 Depletion .....   | 25,107                   | 10,170  | 13,065                         | 1,872                     | 3,513,078     | 15,064                    | **                   | *366                  | *274                               |
| 58 Advertising .....   | 255,446                  | 112,230   | 26,754                         | 116,462                   | 14,152,878    | 3,855,226                 | **                   | 200,420               | 213,529                            |
| 59 Pension, profit—sharing, stock bonus, and annuity plans .....       | 666,909                  | 189,256   | 208,170                        | 269,483                   | 15,245,699    | 949,284                   | **                   | 181,282               | 166,296                            |
| 60 Employee benefit programs .....                                     | 446,845                  | 96,847  | 123,068                        | 226,930                   | 10,786,833    | 743,617                   | **                   | 109,812               | 123,576                            |
| 61 Net loss, noncapital assets .....                                   | 14,828                   | 3,350   | 4,426                          | 7,052                     | 309,454       | 20,870                    | **                   | 4,144                 | 3,566                              |
| 62 Other deductions .....  | 8,592,410                | 2,646,471   | 1,990,211                      | 3,955,728                 | 134,570,220   | 14,541,313                | **                   | 2,186,444             | 3,438,277                          |
| 63 Total receipts less total deductions .....                          | 4,980,352                | 1,794,409   | 1,447,036                      | 1,738,907                 | 90,743,560    | 7,717,520                 | **                   | 1,431,914             | 1,539,026                          |
| 64 Constructive taxable income from related foreign corporations ..... | 57,458                   | *20,644   | 33,827                         | *2,987                    | 4,528,093     | 244,432                   | **                   | 4,285                 | 10,014                             |
| 65 Net income (line 63 plus 64 minus 36) .....                         | 5,025,829                | 1,810,015   | 1,477,054                      | 1,738,760                 | 94,990,863    | 7,944,545                 | **                   | 1,433,359             | 1,547,658                          |
| 66 Income subject to tax .....   | 3,899,237                | 1,362,894   | 1,252,153                      | 1,284,190                 | 88,825,102    | 7,603,610                 | **                   | 1,340,467             | 1,357,813                          |
| 67 Income tax, total .....   | 1,508,376                | 524,794   | 555,766                        | 427,816                   | 41,431,987    | 3,578,808                 | **                   | 622,986               | 608,289                            |
| 68 Normal tax, surtax, and alternative tax .....                       | 1,497,051                | 521,352   | 550,944                        | 424,755                   | 41,235,094    | 3,566,259                 | **                   | 620,517               | 607,608                            |
| 69 Tax from recomputing prior—year investment credit .....             | 9,964                    | 2,528   | 4,463                          | 2,973                     | 137,630       | 11,998                    | **                   | 2,427                 | 681                                |
| 70 Tax from recomputing prior—year work incentive (WIN) credit .....   | *67                      | *(1)  | *67                            | *(1)                      | 33            | *(1)                      | —                    | *(1)                  | —                                  |
| 71 Additional tax for tax preferences .....                            | 1,294                    | 914   | 292                            | *88                       | 59,230        | *551                      | —                    | *42                   | —                                  |
| 72 Foreign tax credit .....  | 97,577                   | 29,310  | 64,304                         | 3,963                     | 8,388,111     | 361,028                   | **                   | 7,737                 | 16,744                             |
| 73 U.S. possessions tax credit .....                                   | 1,143                    | 34  | 1,108                          | 1                         | 662,947       | 42,550                    | **                   | 588                   | 14,786                             |
| 74 Investment credit .....   | 170,803                  | 38,132  | 86,649                         | 46,022                    | 4,150,832     | 331,343                   | **                   | 79,628                | 25,532                             |
| 75 Work incentive (WIN) credit .....                                   | 148                      | *20   | 57                             | *71                       | 6,744         | 374                       | **                   | 209                   | 137                                |
| Distributions to stockholders:   |                          |   |                                |                           |               |                           |                      |                       |                                    |
| 76 Cash and property except in own stock .....                         | 463,623                  | 150,240   | 156,000                        | 157,383                   | 22,241,820    | 1,750,437                 | **                   | 192,339               | 184,169                            |
| 77 Corporation's own stock .....                                       | 44,379                   | 11,681  | 15,999                         | 16,699                    | 1,027,649     | 123,615                   | —                    | 65,240                | 15,798                             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Item   | Major industry—Continued |                        |                           |                         |                               |  |  |                              |                                 |
|--|--------------------------|------------------------|---------------------------|-------------------------|-------------------------------|--|--|------------------------------|---------------------------------|
|  | Manufacturing—Continued  |                        |                           |                         |                               |  |  |                              |                                 |
|  | Lumber and wood products | Furniture and fixtures | Paper and allied products | Printing and publishing | Chemicals and allied products | Petroleum (including integrated) and coal products | Rubber and miscellaneous plastics products | Leather and leather products | Stone, clay, and glass products |
|  | (17)                     | (18)                   | (19)                      | (20)                    | (21)                          | (22)   | (23)                                       | (24)                         | (25)                            |
| 1 Number of returns with net income                              | 9,180                    | 4,781                  | 2,820                     | 18,359                  | 5,762                         | 1,039  | 5,189                                      | 2,089                        | 6,241                           |
| 2 Total assets   | 24,452,589               | 5,168,074              | 29,433,950                | 27,370,129              | 89,535,682                    | 182,752,483  | 17,459,809                                 | 4,637,500                    | 21,369,935                      |
| 3 Cash   | 990,515                  | 325,172                | 821,484                   | 1,872,364               | 2,932,534                     | 3,162,062  | 820,616                                    | 373,497                      | 1,102,967                       |
| 4 Notes and accounts receivable                                  | 3,500,638                | 1,324,441              | 3,815,455                 | 6,102,831               | 16,504,125                    | 36,018,587   | 4,517,771                                  | 1,206,599                    | 3,814,461                       |
| 5 Less: Allowance for bad debts                                  | 72,057                   | 33,291                 | 92,098                    | 376,427                 | 297,948                       | 443,113  | 60,435                                     | 29,592                       | 93,383                          |
| 6 Inventories  | 4,016,634                | 1,529,722              | 4,286,175                 | 3,017,134               | 15,480,556                    | 13,155,297   | 3,610,646                                  | 1,444,566                    | 3,380,667                       |
| Investments in Government obligations:                           |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 7 United States  | 95,720                   | 36,068                 | 542,525                   | 491,409                 | 779,477                       | 3,132,675  | 49,189                                     | *8,847                       | 196,640                         |
| 8 State and local  | 15,383                   | 16,593                 | 38,622                    | 197,466                 | 307,074                       | *305,722   | 66,306                                     | *8,180                       | 24,229                          |
| 9 Other current assets   | 828,717                  | 150,198                | 969,122                   | 1,897,424               | 3,318,967                     | 7,130,966  | 523,808                                    | 168,785                      | 895,695                         |
| 10 Loans to stockholders   | 98,037                   | 12,641                 | 39,441                    | 258,572                 | 89,380                        | 126,060  | 59,914                                     | 9,321                        | 42,622                          |
| 11 Mortgage and real estate loans                                | 843,698                  | 3,978                  | 14,104                    | 59,672                  | 16,610                        | 85,643   | 42,605                                     | *7,771                       | 25,734                          |
| 12 Other investments   | 2,537,130                | 311,914                | 3,885,120                 | 3,739,065               | 15,698,051                    | 42,682,060   | 1,871,510                                  | 604,046                      | 2,652,510                       |
| 13 Depreciable assets  | 14,836,591               | 2,308,139              | 22,592,317                | 13,314,040              | 57,566,527                    | 95,504,833   | 10,011,402                                 | 1,431,009                    | 16,361,823                      |
| 14 Less: Accumulated depreciation                                | 6,304,630                | 1,092,919              | 10,551,988                | 6,447,648               | 26,965,563                    | 41,830,404   | 4,582,791                                  | 746,836                      | 8,044,334                       |
| 15 Depletable assets   | 2,123,353                | *3,230                 | 2,005,418                 | 110,358                 | 636,662                       | 23,272,986   | *15,596                                    | *20                          | 294,085                         |
| 16 Less: Accumulated depletion                                   | 75,908                   | *649                   | 395,414                   | *1,370                  | 181,722                       | 10,410,002   | *26  | —                            | 64,555                          |
| 17 Land  | 331,164                  | 92,655                 | 880,609                   | 656,267                 | 1,118,774                     | 3,939,533  | 171,391                                    | 32,185                       | 446,068                         |
| 18 Intangible assets (amortizable)                               | 207,925                  | 20,744                 | 107,005                   | 672,522                 | 771,133                       | 2,516,169  | 43,213                                     | 8,617                        | 32,386                          |
| 19 Less: Accumulated amortization                                | 6,488                    | 6,265                  | 24,293                    | 102,092                 | 158,408                       | 1,861,106  | 14,883                                     | 1,765                        | 8,863                           |
| 20 Other assets  | 666,297                  | 165,703                | 500,326                   | 1,908,542               | 1,919,453                     | 6,264,515  | 313,977                                    | 112,250                      | 311,183                         |
| 21 Total liabilities   | 24,452,589               | 5,168,074              | 29,433,950                | 27,370,129              | 89,535,682                    | 182,752,483  | 17,459,809                                 | 4,637,500                    | 21,369,935                      |
| 22 Accounts payable  | 1,689,513                | 557,253                | 2,499,652                 | 2,398,390               | 8,941,687                     | 30,438,864   | 2,106,761                                  | 648,542                      | 2,015,631                       |
| 23 Mortgages, notes, and bonds payable                           |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 24 in less than one year   | 1,887,283                | 348,100                | 839,481                   | 1,502,415               | 2,710,910                     | 4,529,375  | 827,232                                    | 480,333                      | 687,132                         |
| 25 Other current liabilities                                     | 2,549,330                | 507,702                | 2,854,610                 | 3,347,090               | 8,638,761                     | 10,766,496   | 2,213,600                                  | 339,121                      | 2,147,056                       |
| 26 Loans from stockholders                                       | 209,331                  | 100,123                | 91,533                    | 378,924                 | 304,571                       | 303,729  | 152,564                                    | 35,631                       | 210,135                         |
| 27 Mortgages, notes, and bonds payable                           |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 28 in one year or more   | 5,404,225                | 720,218                | 6,347,536                 | 3,336,380               | 18,315,154                    | 29,878,910   | 3,758,906                                  | 654,148                      | 4,395,201                       |
| 29 Other liabilities   | 818,752                  | 71,066                 | 630,835                   | 1,368,438               | 2,551,912                     | 23,129,364   | 436,582                                    | 103,456                      | 616,009                         |
| 30 Capital stock   | 1,674,406                | 548,634                | 2,877,430                 | 1,982,814               | 6,691,481                     | 13,237,821   | 952,808                                    | 590,878                      | 1,906,386                       |
| 31 Paid-in or capital surplus                                    | 3,253,501                | 244,882                | 2,874,078                 | 1,747,710               | 9,149,267                     | 26,781,350   | 1,506,227                                  | 440,404                      | 1,722,212                       |
| 32 Retained earnings, appropriated                               | 27,795                   | 27,912                 | 45,616                    | 288,550                 | 519,805                       | 616,750  | 50,487                                     | 84,727                       | 84,727                          |
| 33 Retained earnings, unappropriated                             | 7,196,098                | 2,102,003              | 10,642,647                | 11,463,158              | 32,477,177                    | 44,177,489   | 5,695,511                                  | 1,403,300                    | 7,894,021                       |
| 34 Less: Cost of treasury stock                                  | 282,485                  | 59,819                 | 268,468                   | 443,740                 | 765,043                       | 1,107,665  | 240,869                                    | 81,253                       | 308,587                         |
| 35 Total receipts  | 32,837,818               | 10,471,176             | 39,045,955                | 40,581,012              | 110,386,241                   | 301,282,119  | 25,970,382                                 | 9,178,453                    | 27,766,470                      |
| 36 Business receipts   | 30,939,712               | 10,326,131             | 37,678,909                | 39,246,760              | 106,605,992                   | 290,931,112  | 25,378,124                                 | 9,011,990                    | 26,935,017                      |
| 37 Interest on Government obligations:                           |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 38 United States   | 6,134                    | 2,187                  | 16,818                    | 32,757                  | 64,114                        | 254,585  | 8,022                                      | 919                          | 14,008                          |
| 39 State and local   | 1,494                    | 2,540                  | 5,070                     | 7,900                   | 11,488                        | 10,020   | 3,877                                      | 1,305                        | 1,215                           |
| 40 Other interest  | 235,968                  | 20,461                 | 155,245                   | 207,630                 | 624,088                       | 1,402,868  | 89,677                                     | 35,364                       | 128,838                         |
| 41 Rents   | 52,144                   | 13,435                 | 47,810                    | 152,878                 | 143,334                       | 803,124  | 43,556                                     | 15,635                       | 50,856                          |
| 42 Royalties   | 17,621                   | 3,459                  | 135,088                   | 101,189                 | 644,740                       | 587,503  | 44,075                                     | 3,467                        | 79,057                          |
| 43 Net short—term capital gain reduced by:                       |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 44 net long—term capital loss                                    | 1,751                    | *215                   | *5,689                    | 1,167                   | 4,482                         | *2,464   | *89  | *475                         | *207                            |
| 45 Net long—term capital gain reduced by:                        |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 46 net short—term capital loss                                   | 1,139,533                | 6,224                  | 525,210                   | 166,598                 | 250,949                       | 565,516  | 14,324                                     | 3,354                        | 79,184                          |
| 47 Net gain, noncapital assets                                   | 54,749                   | 3,733                  | 22,275                    | 60,096                  | 78,183                        | 132,449  | 15,224                                     | 3,937                        | 37,075                          |
| 48 Dividends received from domestic corporations                 | 103,419                  | 3,555                  | 120,338                   | 74,653                  | 436,736                       | 2,699,004  | 24,163                                     | 25,399                       | 62,532                          |
| 49 Dividends received from foreign corporations                  | 26,595                   | 3,419                  | 160,060                   | 57,098                  | 751,983                       | 2,317,295  | 84,594                                     | *2,347                       | 73,180                          |
| 50 Other receipts  | 258,698                  | 85,817                 | 173,443                   | 472,284                 | 770,152                       | 1,766,179  | 264,657                                    | 74,261                       | 305,301                         |
| 51 Total deductions  | 30,770,388               | 9,853,131              | 36,123,893                | 36,887,912              | 100,010,189                   | 282,447,048  | 24,704,829                                 | 8,679,411                    | 25,973,202                      |
| 52 Cost of sales and operations                                  | 22,879,827               | 7,328,652              | 25,819,172                | 24,657,895              | 67,834,584                    | 242,997,641  | 17,758,897                                 | 6,462,488                    | 17,978,235                      |
| 53 Compensation of officers                                      | 448,313                  | 237,332                | 306,055                   | 1,066,104               | 663,550                       | 203,146  | 366,024                                    | 136,740                      | 398,799                         |
| 54 Repairs   | 345,579                  | 41,503                 | 952,817                   | 214,298                 | 1,837,771                     | 2,595,255  | 314,012                                    | 46,008                       | 714,184                         |
| 55 Bad debts   | 68,639                   | 27,191                 | 45,884                    | 232,327                 | 159,843                       | 171,139  | 65,452                                     | 22,074                       | 83,010                          |
| 56 Rent paid on business property                                | 272,604                  | 112,882                | 294,581                   | 518,860                 | 981,829                       | 1,590,333  | 318,442                                    | 184,691                      | 240,080                         |
| 57 Taxes paid  | 802,769                  | 280,067                | 975,544                   | 1,205,812               | 2,323,922                     | 7,568,467  | 761,225                                    | 229,848                      | 829,185                         |
| 58 Interest paid   | 587,008                  | 96,037                 | 584,756                   | 420,236                 | 1,648,411                     | 2,708,205  | 407,730                                    | 116,057                      | 447,005                         |
| 59 Contributions or gifts  | 15,802                   | 6,355                  | 27,070                    | 47,458                  | 77,754                        | 88,234   | 9,849                                      | 5,693                        | 20,609                          |
| 60 Amortization  | 8,358                    | 905                    | 10,445                    | 22,131                  | 19,255                        | 21,605   | 1,844                                      | 668                          | 2,373                           |
| 61 Depreciation  | 1,131,560                | 166,695                | 1,518,508                 | 1,053,100               | 4,054,044                     | 4,605,431  | 805,951                                    | 106,446                      | 1,135,660                       |
| 62 Depletion   | 1,229,135                | *498                   | 221,274                   | 45,992                  | 171,954                       | 1,100,852  | *1,630                                     | *352                         | 81,057                          |
| 63 Advertising   | 101,356                  | 95,316                 | 245,218                   | 323,083                 | 3,061,019                     | 541,857  | 270,506                                    | 95,286                       | 171,461                         |
| 64 Pension, profit-sharing, stock bonus, and annuity plans       | 203,304                  | 72,753                 | 458,984                   | 507,624                 | 1,666,408                     | 1,278,929  | 399,106                                    | 54,709                       | 389,709                         |
| 65 Employee benefit programs                                     | 110,331                  | 67,828                 | 301,677                   | 321,739                 | 773,415                       | 429,204  | 286,534                                    | 38,293                       | 280,667                         |
| 66 Net loss, noncapital assets                                   | 29,619                   | 649                    | 3,948                     | 8,047                   | 11,630                        | 46,010   | 7,720                                      | 8,094                        | 17,536                          |
| 67 Other deductions  | 2,536,184                | 1,318,468              | 4,357,950                 | 6,243,206               | 14,724,800                    | 16,500,740   | 2,929,907                                  | 1,171,964                    | 3,183,632                       |
| 68 Total receipts less total deductions                          | 2,067,430                | 618,045                | 2,922,062                 | 3,693,100               | 10,376,052                    | 18,835,071   | 1,265,553                                  | 499,042                      | 1,793,268                       |
| 69 Constructive taxable income from related foreign corporations | *52,251                  | *3,112                 | 122,015                   | 38,973                  | 706,770                       | 1,465,174  | 24,723                                     | *720                         | 57,124                          |
| 70 Net income (line 63 plus 64 minus 36)                         | 2,118,187                | 618,617                | 3,039,007                 | 3,724,173               | 11,071,334                    | 20,290,225   | 1,286,399                                  | 498,457                      | 1,849,177                       |
| 71 Income subject to tax   | 1,916,266                | 584,999                | 2,950,859                 | 3,440,700               | 10,854,226                    | 17,709,308   | 1,210,285                                  | 436,727                      | 1,726,135                       |
| 72 Income tax, total   | 707,120                  | 258,143                | 1,312,799                 | 1,554,608               | 5,151,024                     | 8,417,843  | 553,007                                    | 199,588                      | 793,129                         |
| 73 Normal tax, surtax, and alternative tax                       | 697,158                  | 257,598                | 1,302,868                 | 1,549,617               | 5,130,817                     | 8,393,848  | 549,448                                    | 199,133                      | 783,765                         |
| 74 Tax from recomputing prior-year investment credit             | 3,777                    | 545                    | 3,900                     | 4,672                   | 18,163                        | 14,649   | 3,535                                      | 455                          | 5,603                           |
| 75 Tax from recomputing prior-year work incentive (WIN) credit   | *3                       | —                      | *1                        | —                       | —                             | —  | —  | —                            | —                               |
| 76 Additional tax for tax preferences                            | 6,182                    | —                      | *6,030                    | *319                    | *2,043                        | *9,346   | *24  | —                            | (1) 3,761                       |
| 77 Foreign tax credit  | 37,900                   | 3,723                  | 155,579                   | 52,313                  | 811,433                       | 4,092,822  | 62,962                                     | 3,464                        | 82,950                          |
| 78 U.S. possessions tax credit                                   | —                        | —                      | 603                       | —                       | 383,328                       | 15,822   | 706  | 1,069                        | 2,776                           |
| 79 Investment credit   | 134,126                  | 15,801                 | 186,522                   | 97,684                  | 616,229                       | 1,042,337  | 61,121                                     | 9,106                        | 101,574                         |
| 80 Work incentive (WIN) credit                                   | 104                      | 107                    | 143                       | 148                     | 195                           | 23   | 221  | 49                           | 319                             |
| Distributions to stockholders:                                   |                          |                        |                           |                         |                               |  |  |                              |                                 |
| 81 Cash and property except in own stock                         | 440,829                  | 65,167                 | 870,790                   | 674,144                 | 2,960,205                     | 5,179,722  | 281,234                                    | 82,424                       | 423,841                         |
| 82 Corporation's own stock                                       | 78,419                   | 10,134                 | 75,801                    | 13,787                  | 83,818                        | *23,368  | *21,721                                    | *8,306                       | 27,219                          |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Major industry—Continued |                           |                              |                                     |                              |   |                                  |   |
|--|--------------------------|---------------------------|------------------------------|-------------------------------------|------------------------------|---|----------------------------------|---|
|  | Manufacturing—Continued  |                           |                              |                                     |                              |   |                                  |   |
|  | Primary metal industries | Fabricated metal products | Machinery, except electrical | Electrical and electronic equipment | Motor vehicles and equipment | Transportation equipment, except motor vehicles | Instruments and related products | Miscellaneous manufacturing and manufacturing not allocable |
|  | (26)                     | (27)                      | (28)                         | (29)                                | (30)                         | (31)  | (32)                             | (33)  |
| 1 Number of returns with net income .....                                  | 3,297                    | 19,895                    | 16,083                       | 6,917                               | 1,494                        | 2,167   | 3,689                            | **  |
| 2 Total assets .....   | 65,482,727               | 38,180,185                | 87,708,391                   | 78,669,529                          | 87,191,739                   | 25,904,763                                      | 15,938,613                       | **  |
| 3 Cash .....   | 1,856,424                | 2,345,458                 | 3,290,066                    | 3,162,353                           | 2,070,391                    | 1,493,326                                       | 544,659                          | **  |
| 4 Notes and accounts receivable .....                                      | 10,084,716               | 8,319,263                 | 21,805,992                   | 19,627,883                          | 38,230,257                   | 5,301,986                                       | 3,561,768                        | **  |
| 5 Less: Allowance for bad debts .....                                      | 191,911                  | 170,771                   | 523,856                      | 469,544                             | 277,659                      | 104,138   | 55,772                           | **  |
| 6 Inventories .....  | 11,235,337               | 9,687,381                 | 19,210,935                   | 15,076,255                          | 14,072,294                   | 7,261,996                                       | 4,039,149                        | **  |
| Investments in Government obligations:                                     |                          |                           |                              |                                     |                              |   |                                  |   |
| 7 United States .....  | 289,250                  | 246,348                   | 4,163,606                    | 859,092                             | 3,791,561                    | 40,702  | 274,150                          | **  |
| 8 State and local .....  | 228,156                  | 51,557                    | 363,406                      | 107,019                             | 184,338                      | 3,142   | 365,869                          | **  |
| 9 Other current assets .....   | 2,323,438                | 1,643,798                 | 6,327,852                    | 7,319,078                           | 1,852,154                    | 1,938,476                                       | 637,477                          | **  |
| 10 Loans to stockholders .....   | 53,302                   | 98,729                    | 96,184                       | 187,671                             | 97,608                       | 8,687   | 20,240                           | **  |
| 11 Mortgage and real estate loans .....                                    | 23,141                   | 32,052                    | 30,885                       | 112,501                             | 103,492                      | 437,342   | 25,429                           | **  |
| 12 Other investments .....   | 11,010,492               | 4,187,883                 | 11,490,312                   | 12,997,161                          | 9,353,246                    | 3,289,485                                       | 1,480,414                        | **  |
| 13 Depreciable assets .....  | 47,987,436               | 19,576,106                | 38,939,601                   | 29,629,690                          | 34,038,384                   | 12,134,986                                      | 8,487,884                        | **  |
| 14 Less: Accumulated depreciation .....                                    | 25,272,658               | 9,566,268                 | 19,740,951                   | 13,996,398                          | 19,977,546                   | 6,936,951                                       | 3,922,990                        | **  |
| 15 Depletable assets .....   | 606,573                  | 130,590                   | 106,988                      | 68,832                              | 7,486                        | 27,349  | 748                              | **  |
| 16 Less: Accumulated depletion .....                                       | 343,296                  | 15,584                    | 27,574                       | 24,234                              | 4,013                        | 100   | 222                              | **  |
| 17 Land .....  | 702,484                  | 632,169                   | 714,440                      | 575,793                             | 707,429                      | 351,379   | 219,081                          | **  |
| 18 Intangible assets (amortizable) .....                                   | 345,015                  | 237,048                   | 379,390                      | 287,126                             | 79,711                       | 42,481  | 103,823                          | **  |
| 19 Less: Accumulated amortization .....                                    | 122,782                  | 89,508                    | 187,908                      | 85,986                              | 12,749                       | 16,097  | 33,492                           | **  |
| 20 Other assets .....  | 4,667,610                | 827,934                   | 1,269,023                    | 3,235,237                           | 2,875,355                    | 630,712   | 190,398                          | **  |
| 21 Total liabilities .....   | 65,482,727               | 38,180,185                | 87,708,391                   | 78,669,529                          | 87,191,739                   | 25,904,763                                      | 15,938,613                       | **  |
| 22 Accounts payable .....  | 5,206,531                | 4,321,008                 | 8,291,291                    | 10,877,654                          | 9,131,219                    | 5,386,070                                       | 1,459,401                        | **  |
| 23 Mortgages, notes, and bonds payable in less than one year .....         | 5,390,475                | 2,048,269                 | 4,955,915                    | 4,949,951                           | 16,671,350                   | 1,313,803                                       | 511,888                          | **  |
| 24 Other current liabilities .....   | 4,930,964                | 4,202,101                 | 10,276,479                   | 10,340,153                          | 8,508,882                    | 3,933,459                                       | 2,018,479                        | **  |
| 25 Loans from stockholders .....   | 108,402                  | 544,253                   | 3,127,104                    | 385,517                             | 302,911                      | 67,484  | 78,836                           | **  |
| 26 Mortgages, notes, and bonds payable in one year or more .....           | 12,382,278               | 6,229,300                 | 14,678,009                   | 13,078,917                          | 19,365,929                   | 3,818,656                                       | 1,467,257                        | **  |
| 27 Other liabilities .....   | 5,081,880                | 1,204,117                 | 2,162,781                    | 5,904,544                           | 1,430,072                    | 1,068,734                                       | 190,209                          | **  |
| 28 Capital stock .....   | 6,100,715                | 3,145,684                 | 8,868,811                    | 4,228,131                           | 3,290,286                    | 2,105,332                                       | 1,226,728                        | **  |
| 29 Paid-in or capital surplus .....  | 6,828,685                | 2,960,248                 | 8,575,572                    | 9,181,980                           | 5,129,129                    | 2,252,484                                       | 2,071,963                        | **  |
| 30 Retained earnings, appropriated .....                                   | 286,241                  | 202,786                   | 736,421                      | 262,827                             | 641,972                      | 106,528   | 100,672                          | **  |
| 31 Retained earnings, unappropriated .....                                 | 19,515,110               | 13,905,406                | 26,476,133                   | 20,569,691                          | 22,882,999                   | 6,083,035                                       | 6,889,351                        | **  |
| 32 Less: Cost of treasury stock .....                                      | 348,554                  | 582,987                   | 440,125                      | 1,109,836                           | 163,010                      | 230,822   | 76,171                           | **  |
| 33 Total receipts .....  | 67,973,370               | 62,006,938                | 98,550,324                   | 89,247,344                          | 107,976,054                  | 37,578,452                                      | 21,675,385                       | **  |
| 34 Business receipts .....   | 66,407,147               | 60,761,477                | 90,979,180                   | 85,246,620                          | 104,362,212                  | 35,961,764                                      | 20,830,219                       | **  |
| Interest on Government obligations:  |                          |                           |                              |                                     |                              |   |                                  |   |
| 35 United States .....   | 33,706                   | 28,134                    | 240,877                      | 42,543                              | 178,047                      | 3,123   | 14,645                           | **  |
| 36 State and local .....   | 7,448                    | 3,975                     | 40,859                       | 134,622                             | 14,788                       | 4,969   | 6,819                            | **  |
| 37 Other interest .....  | 540,748                  | 212,231                   | 1,106,360                    | 779,765                             | 1,447,528                    | 229,825   | 82,991                           | **  |
| 38 Rents .....   | 168,356                  | 133,101                   | 2,178,546                    | 560,807                             | 395,952                      | 150,905   | 23,882                           | **  |
| 39 Royalties .....   | 58,467                   | 83,615                    | 1,322,384                    | 305,095                             | 65,340                       | 65,059  | 109,775                          | **  |
| 40 Net short-term capital gain reduced by net long-term capital loss ..... | 3,614                    | 2,393                     | 4,363                        | 5,448                               | 7,574                        | 59  | 3,397                            | **  |
| 41 Net long-term capital gain reduced by net short-term capital loss ..... | 137,766                  | 100,620                   | 157,110                      | 437,080                             | 64,262                       | 48,935  | 30,421                           | **  |
| 42 Net gain, noncapital assets .....                                       | 44,602                   | 56,664                    | 104,000                      | 69,850                              | 32,910                       | 33,196  | 6,399                            | **  |
| 43 Dividends received from domestic corporations .....                     | 125,656                  | 76,282                    | 446,122                      | 451,894                             | 299,872                      | 282,929   | 187,151                          | **  |
| 44 Dividends received from foreign corporations .....                      | 190,940                  | 125,767                   | 946,561                      | 535,615                             | 416,384                      | 62,631  | 149,218                          | **  |
| 45 Other receipts .....  | 254,920                  | 422,679                   | 1,023,962                    | 678,005                             | 691,185                      | 735,057   | 230,468                          | **  |
| 46 Total deductions .....  | 65,481,023               | 57,335,425                | 89,118,710                   | 82,699,870                          | 100,194,814                  | 35,879,682                                      | 19,283,299                       | **  |
| 47 Cost of sales and operations .....                                      | 48,482,613               | 42,486,674                | 56,371,309                   | 57,067,670                          | 75,035,475                   | 26,835,964                                      | 12,188,852                       | **  |
| 48 Compensation of officers .....  | 426,746                  | 1,370,028                 | 1,270,685                    | 739,678                             | 246,429                      | 236,123   | 278,865                          | **  |
| 49 Repairs .....   | 3,007,698                | 719,614                   | 842,299                      | 541,725                             | 1,105,732                    | 375,557   | 323,985                          | **  |
| 50 Bad debts .....   | 102,720                  | 130,555                   | 230,462                      | 290,381                             | 197,066                      | 49,974  | 29,288                           | **  |
| 51 Rent paid on business property .....                                    | 446,358                  | 517,521                   | 963,347                      | 859,579                             | 536,844                      | 322,036   | 211,359                          | **  |
| 52 Taxes paid .....  | 1,675,629                | 1,646,034                 | 2,890,258                    | 2,376,119                           | 2,842,368                    | 1,014,847                                       | 579,009                          | **  |
| 53 Interest paid .....   | 1,456,062                | 730,726                   | 1,978,820                    | 1,685,475                           | 2,509,882                    | 526,577   | 165,648                          | **  |
| 54 Contributions or gifts .....  | 27,810                   | 47,195                    | 85,617                       | 56,925                              | 95,819                       | 19,248  | 18,352                           | **  |
| 55 Amortization .....  | 41,236                   | 11,852                    | 47,271                       | 24,183                              | 4,241                        | 5,364   | 7,807                            | **  |
| 56 Depreciation .....  | 2,415,533                | 1,489,766                 | 3,747,113                    | 2,900,059                           | 3,174,933                    | 724,446   | 663,897                          | **  |
| 57 Depletion .....   | 493,803                  | 14,802                    | 45,050                       | 50,577                              | 11,615                       | 10,147  | 1,310                            | **  |
| 58 Advertising .....   | 214,609                  | 439,174                   | 652,512                      | 1,181,217                           | 696,697                      | 166,027   | 460,602                          | **  |
| 59 Pension, profit-sharing, stock bonus, and annuity plans .....           | 1,462,050                | 790,682                   | 1,595,112                    | 1,212,691                           | 2,472,891                    | 681,467   | 397,830                          | **  |
| 60 Employee benefit programs .....   | 972,670                  | 499,616                   | 1,030,407                    | 954,460                             | 2,722,245                    | 583,436   | 184,719                          | **  |
| 61 Net loss, noncapital assets .....                                       | 19,887                   | 13,341                    | 69,207                       | 17,960                              | 18,692                       | 1,195   | 1,694                            | **  |
| 62 Other deductions .....  | 4,235,599                | 6,427,845                 | 17,299,241                   | 12,741,171                          | 8,523,885                    | 4,327,274                                       | 3,770,082                        | **  |
| 63 Total receipts less total deductions .....                              | 2,492,347                | 4,671,513                 | 9,431,614                    | 6,547,474                           | 7,781,240                    | 1,698,770                                       | 2,392,086                        | **  |
| 64 Constructive taxable income from related foreign corporations .....     | 164,812                  | 85,529                    | 832,835                      | 189,565                             | 281,670                      | 42,904  | 134,658                          | **  |
| 65 Net income (line 63 plus 64 minus 36) .....                             | 2,649,711                | 4,753,067                 | 10,223,590                   | 6,602,417                           | 8,048,122                    | 1,736,705                                       | 2,519,925                        | **  |
| 66 Income subject to tax .....   | 2,513,991                | 4,409,398                 | 9,877,743                    | 6,188,884                           | 7,763,545                    | 1,614,782                                       | 2,444,411                        | **  |
| 67 Income tax, total .....   | 1,182,833                | 2,005,102                 | 4,648,614                    | 2,878,053                           | 3,711,896                    | 758,471   | 1,153,304                        | **  |
| 68 Normal tax, surtax, and alternative tax .....                           | 1,156,857                | 1,998,546                 | 4,622,959                    | 2,855,477                           | 3,703,114                    | 753,901   | 1,151,331                        | **  |
| 69 Tax from recomputing prior-year investment credit .....                 | 5,217                    | 6,270                     | 22,606                       | 17,368                              | 7,990                        | 3,753   | 1,967                            | **  |
| 70 Tax from recomputing prior-year work incentive (WIN) credit .....       | 7                        | 9                         | 1                            | (1)                                 | 3                            | 8   | —                                | **  |
| 71 Additional tax for tax preferences .....                                | 20,752                   | 277                       | 3,048                        | 5,208                               | 789                          | 809   | 6                                | **  |
| 72 Foreign tax credit .....  | 238,438                  | 128,985                   | 1,079,397                    | 454,859                             | 405,462                      | 49,534  | 170,421                          | **  |
| 73 U.S. possessions tax credit .....                                       | —                        | 6,023                     | 6,197                        | 148,519                             | 334                          | —   | 15,785                           | **  |
| 74 Investment credit .....   | 160,098                  | 141,799                   | 308,894                      | 280,424                             | 290,795                      | 105,088   | 85,536                           | **  |
| 75 Work incentive (WIN) credit .....                                       | 160                      | 342                       | 360                          | 452                                 | 2,475                        | 213   | 205                              | **  |
| Distributions to stockholders:   |                          |                           |                              |                                     |                              |   |                                  |   |
| 76 Cash and property except in own stock .....                             | 1,043,393                | 630,940                   | 2,368,281                    | 1,401,955                           | 2,240,671                    | 354,436   | 547,911                          | **  |
| 77 Corporation's own stock .....   | 144,424                  | 73,393                    | 60,120                       | 91,474                              | 27,290                       | 32,246  | 23,251                           | **  |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry—Continued |   |                |               |                                      |                            |                 |                                |                                    |                               |             |
|--------------------------|---|----------------|---------------|--------------------------------------|----------------------------|-----------------|--------------------------------|------------------------------------|-------------------------------|-------------|
| Item                     | Transportation and public utilities                     |                |               |                                      | Wholesale and retail trade |                 |                                |                                    |                               |             |
|                          | Total   | Transportation | Communication | Electric, gas, and sanitary services | Total                      | Wholesale trade |                                |                                    |                               |             |
|                          |   |                |               |                                      |                            | Total           | Groceries and related products | Machinery, equipment, and supplies | Miscellaneous wholesale trade |             |
|                          | (34)  | (35)           | (36)          | (37)                                 | (38)                       | (39)            | (40)                           | (41)                               | (42)                          |             |
| 1                        | Number of returns with net income                       | 49,612         | 38,367        | 5,214                                | 6,031                      | 413,609         | 162,789                        | 14,860                             | 38,473                        | 109,456     |
| 2                        | Total assets  | 449,713,265    | 92,314,209    | 131,330,685                          | 226,068,371                | 310,414,743     | 159,785,212                    | 14,033,364                         | 29,137,090                    | 116,614,758 |
| 3                        | Cash  | 7,429,011      | 3,876,394     | 1,253,759                            | 2,298,858                  | 20,840,196      | 10,740,653                     | 1,112,592                          | 1,901,526                     | 7,726,535   |
| 4                        | Notes and accounts receivable                           | 30,216,135     | 11,075,862    | 7,741,852                            | 11,398,421                 | 86,297,100      | 54,216,445                     | 4,423,997                          | 9,809,170                     | 39,983,278  |
| 5                        | Less: Allowance for bad debts                           | 416,791        | 163,990       | 104,677                              | 148,124                    | 1,764,598       | 847,562                        | 92,464                             | 149,488                       | 605,610     |
| 6                        | Inventories   | 14,475,997     | 2,730,468     | 3,713,827                            | 8,031,702                  | 99,576,077      | 46,808,423                     | 4,142,189                          | 10,364,660                    | 32,301,571  |
| 7                        | Investments in Government obligations:                  |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 8                        | United States   | 4,994,126      | 1,769,789     | 1,833,257                            | 1,391,080                  | 862,659         | 426,910                        | 43,498                             | 66,003                        | 317,409     |
| 9                        | State and local   | 231,205        | 199,352       | 28,709                               | 3,144                      | 275,109         | 157,329                        | 7,279                              | 19,200                        | 130,850     |
| 10                       | Other current assets                                    | 13,546,170     | 4,316,736     | 2,521,935                            | 6,707,499                  | 9,284,135       | 4,853,900                      | 560,409                            | 664,971                       | 3,628,520   |
| 11                       | Loans to stockholders                                   | 343,511        | 280,895       | 40,699                               | 21,917                     | 1,503,094       | 581,790                        | 72,908                             | 122,775                       | 386,107     |
| 12                       | Mortgage and real estate loans                          | 518,008        | 262,107       | 175,897                              | 80,004                     | 667,727         | 258,208                        | 45,831                             | 64,233                        | 148,144     |
| 13                       | Other investments                                       | 33,481,811     | 12,356,005    | 9,811,829                            | 11,313,977                 | 26,778,921      | 17,672,436                     | 832,980                            | 2,028,171                     | 14,811,285  |
| 14                       | Depreciable assets                                      | 443,131,097    | 78,976,502    | 130,048,259                          | 234,106,336                | 90,207,992      | 32,962,838                     | 4,410,730                          | 5,321,986                     | 23,230,122  |
| 15                       | Less: Accumulated depreciation                          | 111,595,997    | 27,621,896    | 28,134,125                           | 55,839,976                 | 39,120,183      | 14,617,278                     | 2,005,338                          | 2,335,902                     | 10,276,038  |
| 16                       | Depletable assets                                       | 1,551,398      | 133,308       | 1,343                                | 1,416,747                  | 481,080         | 235,646                        | 6,210                              | 25,777                        | 203,659     |
| 17                       | Less: Accumulated depletion                             | 434,500        | 47,081        | 241                                  | 387,178                    | 138,503         | 82,720                         | 674                                | 9,389                         | 72,657      |
| 18                       | Land  | 3,889,554      | 1,089,515     | 526,311                              | 2,273,728                  | 7,205,009       | 2,544,597                      | 218,159                            | 377,190                       | 1,949,248   |
| 19                       | Intangible assets (amortizable)                         | 1,326,260      | 257,361       | 782,058                              | 286,841                    | 920,880         | 374,677                        | 32,807                             | 56,815                        | 285,055     |
| 20                       | Less: Accumulated amortization                          | 335,694        | 47,000        | 230,102                              | 58,592                     | 286,782         | 111,859                        | 8,911                              | 18,992                        | 83,956      |
| 21                       | Other assets  | 7,361,964      | 2,869,882     | 1,320,095                            | 3,171,987                  | 6,824,830       | 3,610,779                      | 231,162                            | 828,384                       | 2,551,233   |
| 22                       | Total liabilities                                       | 449,713,265    | 92,314,209    | 131,330,685                          | 226,068,371                | 310,414,743     | 159,785,212                    | 14,033,364                         | 29,137,090                    | 116,614,758 |
| 23                       | Accounts payable  | 18,165,351     | 6,071,299     | 3,755,979                            | 8,338,073                  | 62,110,838      | 35,982,892                     | 3,696,882                          | 5,136,873                     | 27,149,137  |
| 24                       | Mortgages, notes, and bonds payable                     |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 25                       | in less than one year                                   | 17,576,321     | 5,725,438     | 4,108,864                            | 7,742,019                  | 40,795,914      | 23,208,753                     | 1,716,646                          | 4,892,881                     | 16,599,226  |
| 26                       | Other current liabilities                               | 41,520,713     | 11,645,538    | 13,540,291                           | 16,334,884                 | 25,435,441      | 10,631,285                     | 1,167,437                          | 2,023,157                     | 7,440,691   |
| 27                       | Loans from stockholders                                 | 1,016,196      | 629,555       | 184,072                              | 202,569                    | 6,374,511       | 2,860,639                      | 244,296                            | 592,914                       | 2,023,429   |
| 28                       | Mortgages, notes, and bonds payable                     |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 29                       | in one year or more                                     | 163,954,362    | 25,026,309    | 45,827,858                           | 93,100,195                 | 37,749,722      | 15,168,536                     | 1,702,315                          | 2,607,634                     | 10,858,587  |
| 30                       | Other liabilities                                       | 20,307,421     | 5,027,289     | 5,653,955                            | 9,626,177                  | 7,708,791       | 2,665,016                      | 333,269                            | 509,351                       | 1,822,396   |
| 31                       | Capital stock   | 72,069,980     | 7,004,745     | 17,864,447                           | 47,200,788                 | 24,691,041      | 12,560,353                     | 1,052,836                          | 2,007,951                     | 9,499,566   |
| 32                       | Paid-in or capital surplus                              | 40,731,413     | 7,940,957     | 16,601,621                           | 16,188,835                 | 13,341,653      | 6,011,618                      | 426,003                            | 872,479                       | 4,713,136   |
| 33                       | Retained earnings, appropriated                         | 1,260,884      | 486,832       | 175,363                              | 598,689                    | 1,867,012       | 1,209,174                      | 64,374                             | 117,264                       | 1,027,536   |
| 34                       | Retained earnings, unappropriated                       | 73,999,412     | 23,382,295    | 23,789,704                           | 26,827,413                 | 93,825,716      | 51,292,190                     | 3,764,749                          | 10,808,639                    | 36,718,602  |
| 35                       | Less: Cost of treasury stock                            | 888,788        | 626,048       | 171,469                              | 91,271                     | 3,485,896       | 1,805,244                      | 135,443                            | 432,053                       | 1,237,748   |
| 36                       | Total receipts  | 257,318,014    | 93,548,304    | 61,256,641                           | 102,513,069                | 940,838,894     | 497,678,659                    | 79,912,113                         | 64,427,412                    | 353,339,134 |
| 37                       | Business receipts                                       | 249,378,626    | 89,441,434    | 60,260,389                           | 99,676,803                 | 924,468,317     | 489,459,255                    | 78,997,470                         | 62,837,403                    | 347,624,382 |
| 38                       | Interest on Government obligations:                     |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 39                       | United States   | 130,429        | 78,771        | 32,420                               | 19,238                     | 82,691          | 43,945                         | 3,168                              | 12,265                        | 28,512      |
| 40                       | State and local   | 19,179         | 9,913         | 2,371                                | 6,895                      | 28,185          | 17,426                         | 2,582                              | 3,080                         | 11,764      |
| 41                       | Other interest  | 1,354,499      | 536,749       | 249,751                              | 567,999                    | 3,280,599       | 1,705,410                      | 102,234                            | 366,886                       | 1,236,290   |
| 42                       | Rents   | 1,559,936      | 1,024,471     | 232,025                              | 303,440                    | 1,915,019       | 671,113                        | 68,141                             | 217,798                       | 385,174     |
| 43                       | Royalties   | 338,295        | 252,578       | 62,485                               | 23,232                     | 147,714         | 53,336                         | 4,206                              | 7,586                         | 41,544      |
| 44                       | Net short-term capital gain reduced by                  |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 45                       | net long-term capital loss                              | 36,604         | 4,667         | 10,231                               | 21,706                     | 27,802          | 15,936                         | 670                                | 1,381                         | 13,885      |
| 46                       | Net long-term capital gain reduced by                   |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 47                       | net short-term capital loss                             | 535,360        | 280,297       | 65,544                               | 189,519                    | 644,675         | 376,710                        | 32,631                             | 37,993                        | 306,086     |
| 48                       | Net gain, noncapital assets                             | 480,487        | 370,388       | 49,749                               | 60,350                     | 399,285         | 225,350                        | 37,766                             | 55,165                        | 132,419     |
| 49                       | Dividends received from domestic corporations           | 246,033        | 56,614        | 81,546                               | 107,873                    | 411,617         | 284,263                        | 17,833                             | 70,566                        | 195,864     |
| 50                       | Dividends received from foreign corporations            | 148,774        | 101,937       | 33,080                               | 13,757                     | 435,519         | 354,682                        | 3,002                              | 11,267                        | 340,413     |
| 51                       | Other receipts  | 3,089,792      | 1,390,485     | 177,050                              | 1,522,257                  | 8,997,471       | 4,471,233                      | 642,410                            | 806,022                       | 3,022,801   |
| 52                       | Total deductions  | 240,768,694    | 89,220,085    | 55,904,255                           | 95,644,354                 | 911,042,470     | 480,711,460                    | 78,664,731                         | 60,201,372                    | 341,845,357 |
| 53                       | Cost of sales and operations                            | 151,694,766    | 60,608,710    | 28,580,827                           | 62,505,229                 | 724,176,859     | 410,291,545                    | 69,233,727                         | 47,083,951                    | 293,973,867 |
| 54                       | Compensation of officers                                | 1,847,230      | 1,245,507     | 277,132                              | 324,591                    | 14,825,519      | 7,570,984                      | 781,222                            | 1,737,447                     | 5,052,315   |
| 55                       | Repairs   | 344,813        | 105,186       | 71,858                               | 167,769                    | 3,017,146       | 1,077,200                      | 187,687                            | 164,085                       | 725,428     |
| 56                       | Bad debts   | 835,636        | 181,009       | 361,275                              | 293,352                    | 1,639,807       | 828,894                        | 92,695                             | 154,267                       | 581,932     |
| 57                       | Rent paid on business property                          | 5,017,128      | 3,736,235     | 823,032                              | 457,861                    | 11,625,853      | 2,678,602                      | 364,814                            | 422,254                       | 1,891,534   |
| 58                       | Taxes paid  | 16,007,761     | 4,007,072     | 4,374,747                            | 7,625,942                  | 13,179,380      | 5,408,057                      | 566,386                            | 740,709                       | 4,100,962   |
| 59                       | Interest paid   | 13,247,359     | 2,271,227     | 3,570,474                            | 7,405,658                  | 6,694,648       | 3,200,623                      | 284,712                            | 589,239                       | 2,326,672   |
| 60                       | Contributions or gifts                                  | 127,987        | 31,556        | 46,391                               | 50,040                     | 245,542         | 113,231                        | 10,732                             | 20,273                        | 82,226      |
| 61                       | Amortization  | 177,341        | 73,283        | 10,848                               | 93,210                     | 56,055          | 20,534                         | 1,902                              | 2,406                         | 16,226      |
| 62                       | Depreciation  | 23,471,907     | 4,984,015     | 9,162,223                            | 9,325,669                  | 7,968,817       | 3,050,600                      | 414,774                            | 628,499                       | 2,007,327   |
| 63                       | Depletion   | 227,153        | 45,393        | 26                                   | 181,734                    | 58,730          | 35,574                         | 2,654                              | 3,471                         | 29,449      |
| 64                       | Advertising   | 784,443        | 451,511       | 235,830                              | 97,102                     | 8,250,496       | 1,818,073                      | 192,414                            | 274,895                       | 1,350,764   |
| 65                       | Pension, profit-sharing, stock bonus, and annuity plans | 4,657,126      | 1,222,250     | 2,446,965                            | 987,911                    | 2,995,998       | 1,454,714                      | 183,547                            | 277,793                       | 993,374     |
| 66                       | Employee benefit programs                               | 2,272,951      | 789,037       | 1,034,198                            | 449,716                    | 1,866,715       | 748,611                        | 120,201                            | 144,711                       | 483,699     |
| 67                       | Net loss, noncapital assets                             | 53,579         | 32,461        | 4,986                                | 16,132                     | 85,638          | 35,415                         | 6,023                              | 3,250                         | 28,142      |
| 68                       | Other deductions  | 20,001,514     | 9,435,633     | 4,903,443                            | 5,662,438                  | 114,355,267     | 42,378,803                     | 6,221,241                          | 7,954,122                     | 28,203,440  |
| 69                       | Total receipts less total deductions                    | 16,549,320     | 4,328,219     | 5,352,386                            | 6,868,715                  | 29,796,424      | 16,967,199                     | 1,247,382                          | 4,226,040                     | 11,493,777  |
| 70                       | Constructive taxable income from related                |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 71                       | foreign corporations                                    | 77,702         | 37,788        | 27,395                               | 12,519                     | 983,969         | 921,926                        | 839                                | 4,520                         | 916,567     |
| 72                       | Net income (line 63 plus 64 minus 36)                   | 16,607,843     | 4,356,094     | 5,377,410                            | 6,874,339                  | 30,752,208      | 17,871,699                     | 1,245,639                          | 4,227,480                     | 12,398,580  |
| 73                       | Income subject to tax                                   | 15,265,182     | 3,509,703     | 5,193,398                            | 5,662,081                  | 22,239,955      | 11,243,612                     | 968,121                            | 2,122,226                     | 8,153,265   |
| 74                       | Income tax, total                                       | 7,141,117      | 1,543,761     | 2,486,468                            | 3,110,888                  | 9,135,358       | 4,640,097                      | 400,876                            | 840,439                       | 3,398,782   |
| 75                       | Normal tax, surtax, and alternative tax                 | 7,080,674      | 1,527,297     | 2,459,946                            | 3,093,431                  | 9,101,065       | 4,619,797                      | 398,787                            | 833,884                       | 3,387,126   |
| 76                       | Tax from recomputing prior-year investment credit       | 51,550         | 15,446        | 26,487                               | 9,717                      | 31,877          | 18,171                         | 1,839                              | 6,512                         | 9,820       |
| 77                       | Tax from recomputing prior-year work                    |                |               |                                      |                            |                 |                                |                                    |                               |             |
| 78                       | incentive (WIN) credit                                  | (1)            | (1)           | —                                    | (1)                        | 6               | (1)                            | (1)                                | (1)                           | (1)         |
| 79                       | Additional tax for tax preferences                      | 8,793          | 1,018         | 35                                   | 7,740                      | 2,410           | 2,129                          | 250                                | 43                            | 1,836       |
| 80                       | Foreign tax credit                                      | 116,393        | 51,125        | 42,942                               | 22,326                     | 688,894         | 605,050                        | 3,124                              | 10,425                        | 591,501     |
| 81                       | U.S. possessions tax credit                             | 18,176         | 120           | 18,007                               | 49                         | 17,500          | 9,504                          | 88                                 | 38                            | 9,378       |
| 82                       | Investment credit                                       | 3,234,961      | 429,563       | 1,249,103                            | 1,556,295                  | 674,450         | 267,435                        | 35,818                             | 53,364                        | 178,253     |
| 83                       | Work incentive (WIN)                                    |                |               |                                      |                            |                 |                                |                                    |                               |             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Major industry—Continued             |  |                            |             |   |                              |                                       |                            |                             |  |
|--|--------------------------------------|--|----------------------------|-------------|---|------------------------------|---------------------------------------|----------------------------|-----------------------------|--|
|  | Wholesale and retail trade—Continued |  |                            |             |   |                              |                                       |                            |                             |  |
|  | Retail trade                         |  |                            |             |   |                              |                                       |                            |                             |  |
|  | Total                                | Building materials, garden supplies, and mobile home dealers | General merchandise stores | Food stores | Automotive dealers and service stations | Apparel and accessory stores | Furniture and home furnishings stores | Eating and drinking places | Miscellaneous retail stores | Wholesale and retail trade not allocable |
|  | (43)                                 | (44)   | (45)                       | (46)        | (47)                                    | (48)                         | (49)                                  | (50)                       | (51)                        | (52)                                     |
| 1 Number of returns with net income .....                              | 250,419                              | 23,056   | 6,153                      | 19,088      | 45,970                                  | 24,572                       | 21,755                                | 44,262                     | 65,563                      | *401                                     |
| 2 Total assets .....   | 150,554,970                          | 10,783,796   | 47,764,534                 | 17,845,393  | 26,574,383                              | 8,344,886                    | 7,526,662                             | 10,820,883                 | 20,894,433                  | *74,561                                  |
| 3 Cash .....   | 10,095,293                           | 760,992  | 1,569,019                  | 1,408,111   | 1,822,271                               | 989,357                      | 673,647                               | 1,126,568                  | 1,744,878                   | *4,250                                   |
| 4 Notes and accounts receivable .....                                  | 32,048,744                           | 2,618,746  | 16,264,472                 | 1,312,176   | 3,959,301                               | 1,372,241                    | 2,284,618                             | 719,677                    | 3,517,513                   | *31,911                                  |
| 5 Less: Allowance for bad debts .....                                  | 915,499                              | 88,393   | 400,445                    | 19,785      | 105,872                                 | 34,694                       | 74,222                                | 8,405                      | 183,683                     | *1,537                                   |
| 6 Inventories .....  | 52,751,158                           | 4,358,325  | 12,730,037                 | 6,209,766   | 13,974,219                              | 3,373,663                    | 2,994,307                             | 714,565                    | 8,396,276                   | *16,496                                  |
| Investments in Government obligations:                                 |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| 7 United States .....  | 435,749                              | 15,431   | 35,035                     | 120,041     | 58,758                                  | 61,320                       | 14,514                                | 74,344                     | 56,306                      | —  |
| 8 State and local .....  | 117,780                              | *649   | 5,741                      | *28,914     | 20,903                                  | 19,186                       | 14,109                                | *16,706                    | 11,572                      | —  |
| 9 Other current assets .....   | 4,427,509                            | 247,105  | 1,207,849                  | 608,792     | 675,340                                 | 428,503                      | 151,908                               | 429,144                    | 678,868                     | *2,726                                   |
| 10 Loans to stockholders .....   | 917,074                              | 58,772   | 63,699                     | 59,338      | 159,800                                 | 150,778                      | 59,919                                | 140,571                    | 224,197                     | *4,230                                   |
| 11 Mortgage and real estate loans .....                                | 409,519                              | 57,372   | 95,926                     | 48,738      | 50,944                                  | 27,564                       | 17,028                                | 54,605                     | 57,342                      | —  |
| 12 Other investments .....   | 9,102,547                            | 508,378  | 3,763,082                  | 1,350,732   | 709,307                                 | 549,706                      | 256,893                               | 830,878                    | 1,133,571                   | *3,938                                   |
| 13 Depreciable assets .....  | 57,226,819                           | 3,237,639  | 16,698,929                 | 10,724,491  | 6,738,545                               | 2,187,914                    | 1,580,329                             | 8,347,595                  | 7,711,377                   | *18,335                                  |
| 14 Less: Accumulated depreciation .....                                | 24,493,142                           | 1,542,377  | 6,645,073                  | 4,915,094   | 2,883,213                               | 1,029,465                    | 740,170                               | 3,127,153                  | 3,610,597                   | *9,763                                   |
| 15 Depletable assets .....   | 245,434                              | 11,020   | *86,930                    | *5,960      | 5,311                                   | *749                         | *931                                  | *13,882                    | 120,651                     | —  |
| 16 Less: Accumulated depletion .....                                   | 55,783                               | *815   | *3,557                     | *2,040      | *326                                    | *145                         | *835                                  | *231                       | 47,834                      | —  |
| 17 Land .....  | 4,658,091                            | 362,658  | 1,360,863                  | 590,377     | 874,936                                 | 92,190                       | 162,516                               | 821,377                    | 393,174                     | *2,321                                   |
| 18 Intangible assets (amortizable) .....                               | 546,172                              | 15,126   | 42,303                     | 36,503      | 34,043                                  | 44,657                       | 17,616                                | 217,771                    | 138,153                     | *31                                      |
| 19 Less: Accumulated amortization .....                                | 174,902                              | 3,508  | 9,352                      | 15,640      | 13,329                                  | 14,718                       | 5,506                                 | 58,052                     | 54,797                      | *21                                      |
| 20 Other assets .....  | 3,212,407                            | 166,676  | 899,076                    | 294,013     | 492,995                                 | 126,080                      | 119,060                               | 507,041                    | 607,466                     | *1,644                                   |
| 21 Total liabilities .....   | 150,554,970                          | 10,783,796   | 47,764,534                 | 17,845,393  | 26,574,383                              | 8,344,886                    | 7,526,662                             | 10,820,883                 | 20,894,433                  | *74,561                                  |
| 22 Accounts payable .....  | 26,111,183                           | 1,686,838  | 9,902,400                  | 3,935,901   | 2,612,477                               | 1,447,300                    | 1,278,818                             | 1,123,743                  | 4,123,706                   | *16,763                                  |
| 23 Mortgages, notes, and bonds payable                                 |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| in less than one year .....  | 17,582,271                           | 1,214,257  | 2,111,831                  | 662,624     | 10,237,685                              | 397,810                      | 831,539                               | 558,122                    | 1,568,403                   | *4,890                                   |
| Other current liabilities .....  | 14,799,543                           | 821,625  | 5,857,009                  | 2,069,886   | 1,848,989                               | 788,081                      | 692,640                               | 993,033                    | 1,728,280                   | *4,613                                   |
| 24 Loans from stockholders .....                                       | 3,510,787                            | 357,240  | 405,791                    | 266,912     | 631,251                                 | 286,439                      | 310,892                               | 532,515                    | 719,747                     | *3,085                                   |
| 25 Mortgages, notes, and bonds payable                                 |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| in one year or more .....  | 22,572,484                           | 1,336,966  | 8,721,586                  | 2,858,342   | 2,640,915                               | 818,087                      | 757,901                               | 2,669,146                  | 2,769,541                   | *8,702                                   |
| 26 Other liabilities .....   | 5,039,985                            | 192,678  | 2,728,846                  | 2,069,886   | 390,739                                 | 205,752                      | 368,043                               | 302,408                    | 543,751                     | *3,790                                   |
| 27 Capital stock .....   | 12,124,560                           | 1,227,587  | 2,881,136                  | 1,248,356   | 2,306,463                               | 893,335                      | 783,471                               | 929,197                    | 1,855,015                   | *6,128                                   |
| 28 Paid-in or capital surplus .....                                    | 7,326,504                            | 381,048  | 2,373,039                  | 1,151,195   | 424,307                                 | 449,073                      | 305,387                               | 901,258                    | 1,341,197                   | *3,531                                   |
| 29 Retained earnings, appropriated .....                               | 657,838                              | 42,770   | 192,360                    | 39,559      | 83,829                                  | 50,086                       | 102,413                               | 24,036                     | 122,785                     | —  |
| 30 Retained earnings, unappropriated .....                             | 42,509,885                           | 3,693,742  | 12,779,972                 | 5,481,270   | 5,791,761                               | 3,167,393                    | 2,225,117                             | 2,919,323                  | 6,451,307                   | *23,641                                  |
| 31 Less: Cost of treasury stock .....                                  | 1,680,070                            | 170,955  | 189,436                    | 176,420     | 394,033                                 | 158,470                      | 129,559                               | 131,898                    | 329,299                     | *582                                     |
| 32 Total receipts .....  | 443,028,700                          | 26,447,152   | 80,803,921                 | 99,769,458  | 115,034,933                             | 19,537,913                   | 16,838,168                            | 27,397,212                 | 57,199,943                  | *131,535                                 |
| 33 Business receipts .....   | 434,890,821                          | 25,935,140   | 78,654,356                 | 98,819,572  | 113,314,582                             | 19,089,901                   | 16,249,962                            | 26,699,919                 | 56,127,489                  | *118,241                                 |
| Interest on Government obligations:                                    |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| 34 United States .....   | 38,705                               | 2,247  | 4,916                      | 11,081      | 4,835                                   | 3,426                        | 1,306                                 | 6,210                      | 4,684                       | *41                                      |
| 35 State and local .....   | 10,759                               | 1,653  | 469                        | 1,509       | 1,271                                   | 2,516                        | 637                                   | 1,367                      | 1,337                       | —  |
| 36 Other interest .....  | 1,573,860                            | 98,850   | 535,390                    | 86,497      | 486,939                                 | 68,801                       | 106,694                               | 58,372                     | 132,317                     | *1,329                                   |
| 37 Rents .....   | 1,243,702                            | 75,623   | 370,450                    | 178,439     | 276,391                                 | 56,597                       | 34,816                                | 124,432                    | 126,954                     | *204                                     |
| 38 Royalties .....   | 94,378                               | 675  | 1,305                      | 13,406      | 5,165                                   | *265                         | 1,194                                 | 59,324                     | 13,044                      | —  |
| 39 Net short-term capital gain reduced                                 |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| by net long-term capital loss .....                                    | 11,866                               | 712  | *82                        | 139         | 1,145                                   | *114                         | *195                                  | 7,472                      | 2,007                       | —  |
| 40 Net long-term capital gain reduced                                  |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| by net short-term capital loss .....                                   | 267,902                              | 36,982   | 47,671                     | 26,857      | 42,860                                  | 10,816                       | 9,688                                 | 39,722                     | 53,306                      | *63                                      |
| 41 Net gain, noncapital assets .....                                   | 173,925                              | 15,466   | 12,072                     | 16,227      | 56,752                                  | 2,496                        | 5,374                                 | 34,373                     | 31,165                      | *10                                      |
| 42 Dividends received from domestic corporations .....                 | 127,173                              | 9,511  | 52,005                     | 5,293       | 10,978                                  | 33,455                       | 2,364                                 | 5,147                      | 8,420                       | *181                                     |
| 43 Dividends received from foreign corporations .....                  | 80,837                               | *152   | *64,832                    | *6,454      | *1,346                                  | *1                           | *18                                   | *4,732                     | 3,303                       | —  |
| 44 Other receipts .....  | 4,514,772                            | 270,141  | 1,060,373                  | 603,984     | 832,669                                 | 269,526                      | 425,920                               | 356,242                    | 695,917                     | *11,466                                  |
| 45 Total deductions .....  | 430,208,038                          | 25,347,433   | 77,866,517                 | 98,081,067  | 113,285,563                             | 18,474,874                   | 16,238,424                            | 25,976,196                 | 54,937,964                  | *122,972                                 |
| 46 Cost of sales and operations .....                                  | 313,805,393                          | 18,904,055   | 50,733,277                 | 76,922,742  | 96,076,955                              | 11,260,999                   | 10,472,121                            | 11,641,186                 | 37,794,058                  | *79,921                                  |
| 47 Compensation of officers .....                                      | 7,252,439                            | 754,385  | 312,303                    | 599,540     | 1,747,706                               | 608,778                      | 675,887                               | 876,908                    | 1,676,934                   | *2,096                                   |
| 48 Repairs .....   | 1,939,364                            | 117,213  | 399,814                    | 510,056     | 251,476                                 | 66,423                       | 63,247                                | 317,580                    | 213,555                     | *582                                     |
| 49 Bad debts .....   | 808,810                              | 110,361  | 240,876                    | 45,221      | 128,880                                 | 42,148                       | 78,223                                | 144,424                    | 144,424                     | *2,103                                   |
| 50 Rent paid on business property .....                                | 8,946,415                            | 295,839  | 2,062,023                  | 1,410,473   | 921,909                                 | 1,135,154                    | 435,572                               | 1,272,763                  | 1,412,682                   | *836                                     |
| 51 Taxes paid .....  | 7,769,705                            | 498,720  | 1,958,699                  | 1,250,464   | 1,216,359                               | 414,695                      | 328,868                               | 1,007,455                  | 1,094,445                   | *1,618                                   |
| 52 Interest paid .....   | 3,493,122                            | 228,532  | 1,139,450                  | 296,482     | 922,068                                 | 113,080                      | 143,837                               | 286,761                    | 362,912                     | *903                                     |
| 53 Contributions or gifts .....  | 132,237                              | 10,105   | 47,952                     | 16,535      | 9,384                                   | 7,718                        | 7,718                                 | 7,718                      | 16,774                      | *74                                      |
| 54 Amortization .....  | 35,521                               | 246  | 3,284                      | 1,763       | 2,938                                   | 3,945                        | 575                                   | 11,589                     | 11,181                      | *1                                       |
| 55 Depreciation .....  | 4,916,549                            | 275,482  | 1,134,962                  | 997,219     | 732,862                                 | 197,585                      | 139,410                               | 722,737                    | 716,292                     | *1,668                                   |
| 56 Depletion .....   | 23,156                               | 1,776  | *2,850                     | *26         | 3,232                                   | *1,544                       | *156                                  | *477                       | 13,095                      | —  |
| 57 Advertising .....   | 6,431,272                            | 276,394  | 1,974,721                  | 906,086     | 849,754                                 | 405,541                      | 531,112                               | 486,569                    | 1,001,095                   | *1,151                                   |
| 58 Pension, profit-sharing, stock bonus, and annuity plans .....       | 1,540,534                            | 106,602  | 461,616                    | 394,510     | 148,942                                 | 75,985                       | 56,830                                | 83,798                     | 212,251                     | *750                                     |
| 59 Employee benefit programs .....                                     | 1,116,948                            | 59,535   | 211,339                    | 386,234     | 166,662                                 | 43,630                       | 36,192                                | 81,019                     | 132,337                     | *1,156                                   |
| 60 Net loss, noncapital assets .....                                   | 50,215                               | 17,990   | 4,216                      | 4,851       | 3,839                                   | 3,145                        | 714                                   | 10,668                     | 4,792                       | *8                                       |
| 61 Other deductions .....  | 71,946,358                           | 3,690,198  | 17,179,135                 | 14,338,865  | 10,095,680                              | 4,092,838                    | 3,267,962                             | 9,150,543                  | 10,131,137                  | *30,106                                  |
| 62 Total receipts less total deductions .....                          | 12,820,662                           | 1,099,719  | 2,937,404                  | 1,688,391   | 1,749,370                               | 1,063,039                    | 599,744                               | 1,421,016                  | 2,261,979                   | *8,563                                   |
| 63 Constructive taxable income from related foreign corporations ..... | 62,043                               | —  | *52,930                    | *6,135      | *391                                    | —                            | *1                                    | *1,359                     | *1,228                      | —  |
| 64 Net income (line 63 plus 64 minus 36) .....                         | 12,871,946                           | 1,098,066  | 2,989,885                  | 1,693,017   | 1,748,490                               | 1,060,523                    | 599,107                               | 1,421,008                  | 2,261,870                   | *8,563                                   |
| 65 Income subject to tax .....   | 10,991,010                           | 904,218  | 2,843,860                  | 1,545,047   | 1,401,033                               | 884,555                      | 472,337                               | 1,042,755                  | 1,897,205                   | *5,333                                   |
| 66 Income tax, total .....   | 4,493,190                            | 332,345  | 1,335,575                  | 682,522     | 484,687                                 | 352,129                      | 153,783                               | 405,581                    | 746,568                     | *2,071                                   |
| 67 Normal tax, surtax, and alternative tax .....                       | 4,479,206                            | 331,585  | 1,333,602                  | 679,845     | 480,596                                 | 351,777                      | 153,482                               | 403,925                    | 744,392                     | *2,062                                   |
| 68 Tax from recomputing prior-year investment credit .....             | 13,697                               | 759  | 1,967                      | 2,677       | 4,076                                   | 352                          | 237                                   | 1,637                      | 1,992                       | *9                                       |
| 69 Tax from recomputing prior-year work incentive (WIN) credit .....   | *6                                   | —  | *6                         | —           | *1                                      | —                            | —                                     | —                          | —                           | —  |
| 70 Additional tax for tax preferences .....                            | 281                                  | *1   | —                          | —           | *1                                      | *1                           | —                                     | —                          | —                           | —  |
| 71 Foreign tax credit .....  | 83,843                               | *55  | 62,738                     | 7,291       | *38                                     | *47                          | *1                                    | *19                        | *184                        | —  |
| 72 U.S. possessions tax credit .....                                   | 7,996                                | —  | 2,318                      | 4,298       | 184                                     | 1,131                        | —                                     | 62                         | 8,879                       | *1                                       |
| 73 Investment credit .....   | 406,953                              | 21,076   | 115,443                    | 92,294      | 38,212                                  | 14,552                       | 7,511                                 | 57,758                     | 60,107                      | *62                                      |
| 74 Work incentive (WIN) credit .....                                   | 541                                  | *20  | 165                        | 57          | 127                                     | *3                           | *18                                   | 52                         | 99                          | *1                                       |
| 75 Distributions to stockholders:                                      |                                      |  |                            |             |   |                              |                                       |                            |                             |  |
| Cash and property except in own stock .....                            | 1,993,317                            | 99,331   | 736,358                    | 274,885     | 182,373                                 | 195,917                      | 42,836                                | 193,017                    | 268,600                     | *6,739                                   |
| 76 Corporation's own stock .....                                       | 222,561                              | 18,770   | 40,657                     | 82,773      | 13,811                                  | *10,445                      | *11,406                               | 27,265                     | 17,434                      | *664                                     |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Major industry—Continued            |               |                                  |  |             |  |             |   |
|--|-------------------------------------|---------------|----------------------------------|--|-------------|--|-------------|---|
|  | Finance, insurance, and real estate |               |                                  |  |             |  |             |   |
|  | Total                               | Banking       | Credit agencies other than banks | Security, commodity brokers and services | Insurance   | Insurance agents, brokers, and service | Real estate | Holding and other investment companies, except bank holding companies |
|  | (53)                                | (54)          | (55)                             | (56)                                     | (57)        | (58)                                   | (59)        | (60)  |
| 1 Number of returns with net income                                  | 246,789                             | 12,173        | 32,056                           | 2,336                                    | 6,093       | 24,776                                 | 143,147     | 26,208  |
| 2 Total assets   | 2,115,772,319                       | 1,087,789,867 | 444,201,536                      | 39,826,873                               | 397,348,453 | 8,089,098                              | 56,232,427  | 82,284,065  |
| 3 Cash   | 184,359,023                         | 159,459,908   | 12,793,759                       | 978,049                                  | 4,350,459   | 1,640,151                              | 3,578,350   | 1,558,347   |
| 4 Notes and accounts receivable                                      | 604,650,119                         | 522,951,065   | 46,728,042                       | 15,890,942                               | 6,716,919   | 3,115,901                              | 6,490,249   | 2,757,001   |
| 5 Less: Allowance for bad debts                                      | 20,253,494                          | 6,842,879     | 12,820,624                       | 27,399                                   | 81,730      | 72,409                                 | 163,081     | 245,372   |
| 6 Inventories  | 2,317,089                           | 152,668       | 1,111,925                        | *37,085                                  | 311,087     | *1,897                                 | 671,518     | 30,909  |
| Investments in Government obligations:                               |                                     |               |                                  |  |             |  |             |   |
| 7 United States  | 148,475,597                         | 108,297,141   | 18,461,539                       | 3,218,547                                | 15,217,464  | 229,404                                | 269,003     | 2,782,499   |
| 8 State and local  | 109,270,622                         | 79,295,935    | 1,582,655                        | 324,855                                  | 27,155,897  | 111,767                                | 161,379     | 638,134   |
| 9 Other current assets   | 55,497,121                          | 17,091,435    | 5,766,304                        | 14,089,990                               | 10,920,649  | 340,690                                | 4,330,945   | 2,957,108   |
| 10 Loans to stockholders   | 1,697,804                           | 141,194       | 508,555                          | 19,888                                   | 73,084      | 67,602                                 | 662,106     | 225,375   |
| 11 Mortgage and real estate loans                                    | 542,084,424                         | 104,774,929   | 342,233,095                      | 78,112                                   | 90,364,704  | 12,191                                 | 2,244,805   | 2,376,588   |
| 12 Other investments   | 377,114,257                         | 65,961,172    | 16,657,437                       | 3,553,851                                | 219,676,641 | 1,400,988                              | 4,737,635   | 65,126,503  |
| 13 Depreciable assets  | 72,753,823                          | 18,982,080    | 8,778,886                        | 793,940                                  | 5,738,856   | 824,820                                | 34,965,865  | 2,669,376   |
| 14 Less: Accumulated depreciation                                    | 23,020,394                          | 4,356,273     | 2,886,996                        | 255,470                                  | 974,148     | 351,128                                | 13,630,916  | 565,463   |
| 15 Depletable assets   | 1,245,834                           | 484,728       | 83,754                           | *2,288                                   | *19,297     | *312                                   | 421,242     | 234,213   |
| 16 Less: Accumulated depletion                                       | 305,845                             | 1,389         | 57,758                           | *18                                      | *4,408      | *312                                   | 145,351     | 96,609  |
| 17 Land  | 15,154,189                          | 1,864,157     | 1,706,115                        | 39,112                                   | 369,865     | 68,791                                 | 10,065,440  | 1,040,709   |
| 18 Intangible assets (amortizable)                                   | 884,173                             | 117,142       | 164,401                          | 24,275                                   | 71,767      | 161,634                                | 262,043     | 82,911  |
| 19 Less: Accumulated amortization                                    | 294,803                             | 33,002        | 57,279                           | 12,481                                   | 20,307      | 52,439                                 | 88,863      | 30,432  |
| 20 Other assets  | 44,142,780                          | 19,449,856    | 3,447,726                        | 1,071,277                                | 17,442,357  | 589,238                                | 1,400,058   | 742,268   |
| 21 Total liabilities   | 2,115,772,319                       | 1,087,789,867 | 444,201,536                      | 39,826,873                               | 397,348,453 | 8,089,098                              | 56,232,427  | 82,284,065  |
| 22 Accounts payable  | 31,710,725                          | 4,321,727     | 3,082,048                        | 13,516,627                               | 4,540,400   | 3,460,897                              | 1,799,830   | 989,196   |
| 23 Mortgages, notes, and bonds payable in less than one year         | 76,283,477                          | 19,999,966    | 35,895,580                       | 10,510,029                               | 2,252,928   | 321,697                                | 5,497,254   | 1,805,723   |
| 24 Other current liabilities   | 1,318,523,379                       | 933,174,581   | 322,066,996                      | 7,855,586                                | 50,690,617  | 783,011                                | 2,697,003   | 1,255,585   |
| 25 Loans from stockholders   | 5,614,366                           | 1,371,605     | 609,724                          | 73,639                                   | 789,386     | 90,656                                 | 1,981,352   | 698,004   |
| 26 Mortgages, notes, and bonds payable in one year or more           | 105,948,878                         | 21,441,825    | 50,624,509                       | 1,602,561                                | 4,654,914   | 502,658                                | 22,622,059  | 4,500,352   |
| 27 Other liabilities   | 327,958,231                         | 28,772,530    | 8,800,671                        | 2,014,828                                | 281,678,834 | 363,544                                | 3,028,952   | 3,298,872   |
| 28 Capital stock   | 45,535,276                          | 15,255,019    | 4,330,191                        | 601,323                                  | 4,115,696   | 547,694                                | 5,639,860   | 15,045,493  |
| 29 Paid-in or capital surplus  | 93,260,714                          | 23,918,648    | 3,791,154                        | 1,591,599                                | 6,929,916   | 384,286                                | 3,537,939   | 53,107,172  |
| 30 Retained earnings, appropriated                                   | 20,380,150                          | 5,511,544     | 2,973,157                        | 36,972                                   | 10,020,813  | 13,963                                 | 207,320     | 1,616,381   |
| 31 Retained earnings, unappropriated                                 | 94,813,139                          | 34,396,895    | 12,581,439                       | 2,208,792                                | 32,125,145  | 1,775,585                              | 10,018,492  | 1,706,791   |
| 32 Less: Cost of treasury stock                                      | 4,256,016                           | 374,473       | 185,083                          | 155,083                                  | 450,196     | 797,634                                | 797,634     | 1,739,504   |
| 33 Total receipts  | 288,659,407                         | 74,966,135    | 43,310,880                       | 7,490,497                                | 127,926,571 | 7,402,736                              | 20,685,032  | 6,877,556   |
| 34 Business receipts   | 143,983,563                         | 8,373,716     | 10,569,533                       | 3,059,864                                | 102,733,460 | 7,110,499                              | 11,387,163  | 749,328   |
| Interest on Government obligations:                                  |                                     |               |                                  |  |             |  |             |   |
| 35 United States   | 9,676,828                           | 7,003,279     | 1,350,499                        | 236,802                                  | 811,226     | 11,325                                 | 28,363      | 235,334   |
| 36 State and local   | 4,833,673                           | 3,282,978     | 111,150                          | 44,294                                   | 1,316,159   | 9,911                                  | 16,469      | 52,712  |
| 37 Other interest  | 101,577,375                         | 51,669,298    | 29,590,771                       | 683,237                                  | 17,305,384  | 93,279                                 | 663,995     | 1,571,411   |
| 38 Rents   | 9,188,815                           | 1,139,240     | 320,792                          | 12,434                                   | 1,584,987   | 34,614                                 | 5,724,271   | 372,477   |
| 39 Royalties   | 450,555                             | 6,162         | 4,753                            | 6,157                                    | 19,629      | *1,124                                 | 168,166     | 244,564   |
| 40 Net short-term capital gain reduced by net long-term capital loss | 180,054                             | 28,413        | 9,711                            | 17,463                                   | 41,217      | 446                                    | 23,824      | 58,980  |
| 41 Net long-term capital gain reduced by net short-term capital loss | 2,357,479                           | 161,082       | 209,661                          | 35,806                                   | 270,720     | 17,129                                 | 608,658     | 1,054,423   |
| 42 Net gain, noncapital assets                                       | 5,118,771                           | 544,512       | 238,406                          | 3,025,769                                | 30,483      | 2,251                                  | 1,214,881   | 62,469  |
| 43 Dividends received from domestic corporations                     | 4,225,017                           | 326,764       | 49,761                           | 49,519                                   | 1,649,294   | 18,812                                 | 88,166      | 2,042,701   |
| 44 Dividends received from foreign corporations                      | 186,931                             | 67,272        | 10,137                           | 2,702                                    | 15,683      | 5,958                                  | 1,047       | 84,132  |
| 45 Other receipts  | 6,880,346                           | 2,363,419     | 845,706                          | 316,450                                  | 2,148,329   | 97,388                                 | 760,029     | 349,025   |
| 46 Total deductions  | 260,411,921                         | 67,349,815    | 40,271,008                       | 6,590,961                                | 119,882,605 | 6,600,864                              | 17,409,383  | 2,307,285   |
| 47 Cost of sales and operations                                      | 71,585,436                          | 784,313       | 4,967,606                        | 201,203                                  | 59,823,460  | 1,692,111                              | 3,723,693   | 393,050   |
| 48 Compensation of officers  | 7,272,224                           | 2,900,829     | 817,324                          | 678,212                                  | 512,243     | 1,056,581                              | 1,177,125   | 129,910   |
| 49 Repairs   | 965,671                             | 321,280       | 149,946                          | 14,634                                   | 41,188      | 18,358                                 | 400,821     | 19,444  |
| 50 Bad debts   | 4,450,987                           | 2,487,046     | 1,604,641                        | 29,811                                   | 179,097     | 50,834                                 | 61,549      | 38,009  |
| 51 Rent paid on business property                                    | 3,554,508                           | 1,329,362     | 390,495                          | 260,911                                  | 848,136     | 186,733                                | 498,193     | 40,678  |
| 52 Taxes paid  | 7,716,676                           | 1,980,092     | 719,178                          | 260,044                                  | 2,749,959   | 205,621                                | 1,640,855   | 160,927   |
| 53 Interest paid   | 67,811,602                          | 37,811,602    | 24,434,438                       | 731,220                                  | 1,566,489   | 74,819                                 | 2,136,083   | 405,915   |
| 54 Contributions or gifts  | 180,581                             | 83,646        | 25,503                           | 8,463                                    | 31,773      | 7,087                                  | 17,905      | 6,204   |
| 55 Amortization  | 63,941                              | 25,406        | 8,646                            | 4,891                                    | 7,228       | 6,003                                  | 8,252       | 3,515   |
| 56 Depreciation  | 5,330,666                           | 2,179,283     | 621,412                          | 83,655                                   | 774,592     | 109,516                                | 1,462,644   | 99,564  |
| 57 Depletion   | 86,826                              | 4,446         | 527                              | 4,454                                    | 9,538       | *172                                   | 30,056      | 37,633  |
| 58 Advertising   | 1,995,851                           | 638,288       | 506,449                          | 57,151                                   | 326,876     | 68,705                                 | 388,397     | 9,985   |
| 59 Pension, profit-sharing, stock bonus, and annuity plans           | 2,306,812                           | 833,430       | 235,365                          | 123,575                                  | 861,063     | 147,758                                | 88,567      | 17,054  |
| 60 Employee benefit programs   | 910,994                             | 424,008       | 108,347                          | 46,359                                   | 214,126     | 65,352                                 | 44,903      | 7,899   |
| 61 Net loss, noncapital assets                                       | 142,147                             | 90,147        | 21,258                           | 3,599                                    | 6,548       | 997                                    | 14,208      | 5,390   |
| 62 Other deductions  | 86,688,035                          | 15,456,637    | 5,659,873                        | 4,082,779                                | 51,930,289  | 2,910,217                              | 5,716,132   | 932,108   |
| 63 Total receipts less total deductions                              | 28,247,486                          | 7,616,320     | 3,039,872                        | 899,536                                  | 8,043,966   | 801,872                                | 3,275,649   | 4,570,271   |
| 64 Constructive taxable income from related foreign corporations     | 127,001                             | 57,466        | 16,576                           | 3,365                                    | *8,809      | *5,429                                 | *204        | 35,152  |
| 65 Net income (line 63 plus 64 minus 36)                             | 23,540,814                          | 4,390,808     | 2,945,298                        | 858,607                                  | 6,736,616   | 797,390                                | 3,259,384   | 4,552,711   |
| 66 Income subject to tax   | 16,613,371                          | 3,987,185     | 2,734,804                        | 763,903                                  | 5,255,412   | 602,953                                | 2,476,469   | 792,645   |
| 67 Income tax, total   | 7,199,697                           | 1,778,283     | 1,235,027                        | 350,924                                  | 2,479,926   | 233,455                                | 833,394     | 288,688   |
| 68 Normal tax, surtax, and alternative tax                           | 7,136,000                           | 1,767,520     | 1,195,849                        | 350,573                                  | 2,475,986   | 232,806                                | 827,887     | 285,379   |
| 69 Tax from recomputing prior-year investment credit                 | 14,918                              | 5,484         | 3,144                            | 160                                      | 3,067       | 502                                    | 2,096       | 465   |
| 70 Tax from recomputing prior-year work incentive (WIN) credit       | 7                                   | (1)           | *13                              | (1)                                      | (1)         | (1)                                    | (1)         | *4  |
| 71 Additional tax for tax preferences                                | 48,772                              | 5,279         | 36,031                           | *191                                     | 873         | *147                                   | 3,411       | 2,840   |
| 72 Foreign tax credit  | 836,462                             | 593,261       | 44,519                           | 5,374                                    | 130,818     | 6,093                                  | 2,440       | 53,957  |
| 73 U.S. possessions tax credit                                       | 1,132                               | (1)           | 684                              | —  | —           | —                                      | 448         | —   |
| 74 Investment credit   | 339,621                             | 179,306       | 44,020                           | 11,812                                   | 62,909      | 7,075                                  | 29,019      | 5,480   |
| 75 Work incentive (WIN) credit                                       | 326                                 | 115           | 15                               | *103                                     | 64          | *5                                     | *1          | *23   |
| Distributions to stockholders:                                       |                                     |               |                                  |  |             |  |             |   |
| 76 Cash and property except in own stock                             | 7,976,225                           | 2,114,877     | 533,953                          | 101,356                                  | 1,259,438   | 171,759                                | 472,121     | 3,322,721   |
| 77 Corporation's own stock   | 470,500                             | 272,151       | 14,950                           | 11,317                                   | 25,424      | *20,057                                | 17,860      | 108,741   |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 3.—Balance Sheets and Income Statements, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Item   | Major industry—Continued |                                 |                   |                   |  |                                   |                |                                  |
|--|--------------------------|---------------------------------|-------------------|-------------------|--|-----------------------------------|----------------|----------------------------------|
|  | Services                 |                                 |                   |                   |  |                                   |                | Nature of business not allocable |
|  | Total                    | Hotels and other lodging places | Personal services | Business services | Auto repair; miscellaneous repair services | Amusement and recreation services | Other services |                                  |
|  | (61)                     | (62)                            | (63)              | (64)              | (65)                                       | (66)                              | (67)           | (68)                             |
| 1 Number of returns with net income .....                                  | 266,212                  | 8,903                           | 25,206            | 64,065            | 32,934                                     | 20,364                            | 114,740        | 1,594                            |
| 2 Total assets .....   | 73,474,502               | 8,537,558                       | 4,240,175         | 21,022,041        | 9,000,364                                  | 13,792,700                        | 16,881,664     | 524,364                          |
| 3 Cash .....   | 7,309,109                | 489,830                         | 512,844           | 2,369,548         | 635,160                                    | 1,072,726                         | 2,229,201      | 61,829                           |
| 4 Notes and accounts receivable .....                                      | 12,923,948               | 571,442                         | 828,988           | 5,543,480         | 1,350,307                                  | 1,433,211                         | 3,196,510      | 120,567                          |
| 5 Less: Allowance for bad debts .....                                      | 414,933                  | 28,258                          | 21,620            | 108,226           | 31,776                                     | 86,276                            | 138,777        | 2,699                            |
| 6 Inventories .....  | 3,505,794                | 142,130                         | 319,482           | 883,766           | 636,570                                    | 931,258                           | 592,588        | 109,374                          |
| Investments in Government obligations:                                     |                          |                                 |                   |                   |  |                                   |                |                                  |
| 7 United States .....  | 343,591                  | 9,082                           | *5,031            | 143,983           | 23,606                                     | 86,098                            | 75,791         | *16,873                          |
| 8 State and local .....  | 355,966                  | *14,950                         | *40,120           | 243,193           | *1,570                                     | 23,200                            | 32,953         | *3,128                           |
| 9 Other current assets .....   | 4,342,088                | 320,853                         | 188,370           | 1,240,376         | 268,146                                    | 1,421,050                         | 905,493        | 12,798                           |
| 10 Loans to stockholders .....   | 907,570                  | 91,812                          | 47,857            | 258,232           | 81,618                                     | 97,797                            | 330,254        | 15,435                           |
| 11 Mortgage and real estate loans .....                                    | 1,031,544                | 75,347                          | 10,107            | 149,480           | 33,097                                     | 639,913                           | 123,600        | *15,981                          |
| 12 Other investments .....   | 8,274,056                | 1,038,149                       | 313,148           | 2,887,591         | 367,765                                    | 1,987,751                         | 1,679,652      | 28,741                           |
| 13 Depreciable assets .....  | 47,941,113               | 7,647,904                       | 3,195,258         | 10,925,161        | 8,572,557                                  | 8,125,101                         | 9,475,132      | 178,900                          |
| 14 Less: Accumulated depreciation .....                                    | 20,249,157               | 2,932,970                       | 1,894,329         | 5,155,789         | 3,446,085                                  | 3,779,124                         | 3,240,860      | 84,085                           |
| 15 Depletable assets .....   | 85,019                   | *370                            | *2,534            | 29,637            | *4,820                                     | *4,136                            | 43,522         | *404                             |
| 16 Less: Accumulated depletion .....                                       | 30,001                   | *92                             | *(1)              | 24,411            | *1,455                                     | *390                              | 3,653          | *52                              |
| 17 Land .....  | 3,288,408                | 773,798                         | 215,512           | 464,488           | 293,851                                    | 831,819                           | 708,940        | 22,190                           |
| 18 Intangible assets (amortizable) .....                                   | 1,209,958                | 57,452                          | 81,707            | 317,994           | 41,136                                     | 507,621                           | 204,048        | 1,539                            |
| 19 Less: Accumulated amortization .....                                    | 533,176                  | 16,829                          | 24,001            | 80,315            | 14,035                                     | 338,227                           | 59,769         | 758                              |
| 20 Other assets .....  | 3,183,585                | 282,988                         | 219,157           | 933,853           | 185,512                                    | 835,036                           | 727,039        | 24,199                           |
| 21 Total liabilities .....   | 73,474,502               | 8,537,558                       | 4,240,175         | 21,022,041        | 9,000,364                                  | 13,792,700                        | 16,881,664     | 524,364                          |
| 22 Accounts payable .....  | 6,807,011                | 386,766                         | 308,315           | 2,972,059         | 816,029                                    | 921,043                           | 1,402,799      | 39,970                           |
| 23 Mortgages, notes, and bonds payable in less than one year .....         | 7,629,279                | 428,627                         | 337,717           | 2,268,040         | 1,656,432                                  | 1,519,972                         | 1,418,491      | 71,237                           |
| 24 Other current liabilities .....   | 8,025,762                | 557,504                         | 476,028           | 2,472,825         | 631,914                                    | 1,991,238                         | 1,896,253      | 102,663                          |
| 25 Loans from stockholders .....   | 1,958,547                | 265,916                         | 152,166           | 541,529           | 201,286                                    | 311,574                           | 486,076        | 27,485                           |
| 26 Mortgages, notes, and bonds payable in one year or more .....           | 18,918,936               | 3,732,804                       | 746,967           | 4,008,890         | 2,852,484                                  | 3,041,913                         | 4,535,878      | 69,346                           |
| 27 Other liabilities .....   | 3,138,172                | 238,683                         | 151,867           | 1,126,305         | 222,031                                    | 643,500                           | 755,786        | 15,848                           |
| 28 Capital stock .....   | 5,965,176                | 811,216                         | 490,168           | 1,356,210         | 561,492                                    | 1,494,385                         | 1,251,705      | 45,579                           |
| 29 Paid-in or capital surplus .....  | 6,522,112                | 884,505                         | 128,993           | 2,018,556         | 365,437                                    | 1,426,284                         | 1,698,337      | 17,391                           |
| 30 Retained earnings, appropriated .....                                   | 287,683                  | 20,723                          | 28,400            | 72,219            | 27,956                                     | 42,595                            | 95,790         | —                                |
| 31 Retained earnings, unappropriated .....                                 | 15,518,153               | 1,387,889                       | 1,518,604         | 4,600,582         | 1,769,680                                  | 2,588,652                         | 3,652,746      | 142,495                          |
| 32 Less: Cost of treasury stock .....                                      | 1,296,329                | 177,075                         | 99,050            | 415,174           | 104,377                                    | 188,456                           | 312,197        | *7,650                           |
| 33 Total receipts .....  | 116,182,996              | 7,823,024                       | 7,343,995         | 34,030,497        | 12,466,296                                 | 15,187,334                        | 39,331,850     | 1,116,869                        |
| 34 Business receipts .....   | 111,215,430              | 7,276,157                       | 7,141,727         | 32,664,476        | 11,911,601                                 | 13,949,394                        | 38,272,075     | 1,092,669                        |
| Interest on Government obligations:  |                          |                                 |                   |                   |  |                                   |                |                                  |
| 35 United States .....   | 33,762                   | 1,092                           | 621               | 17,859            | 1,375                                      | 5,280                             | 7,535          | 1,241                            |
| 36 State and local .....   | 14,928                   | 1,010                           | 2,756             | 5,448             | *306                                       | 1,900                             | 3,508          | *101                             |
| 37 Other interest .....  | 690,558                  | 60,669                          | 34,710            | 210,378           | 58,128                                     | 152,573                           | 174,100        | 8,230                            |
| 38 Rents .....   | 939,592                  | 107,215                         | 21,401            | 306,019           | 192,308                                    | 170,847                           | 141,802        | 4,209                            |
| 39 Royalties .....   | 369,210                  | 48,343                          | *14,572           | 15,864            | 8,259                                      | 269,856                           | 12,316         | *11                              |
| 40 Net short—term capital gain reduced by net long—term capital loss ..... | 11,452                   | *785                            | *47               | 2,367             | *66  | *4,564                            | 3,623          | —                                |
| 41 Net long—term capital gain reduced by net short—term capital loss ..... | 301,672                  | 38,206                          | 15,315            | 70,166            | 23,437                                     | 82,121                            | 72,427         | 2,233                            |
| 42 Net gain, noncapital assets .....                                       | 313,766                  | 20,258                          | 28,770            | 101,822           | 111,424                                    | 28,485                            | 23,007         | 2,217                            |
| 43 Dividends received from domestic corporations .....                     | 153,601                  | 13,032                          | 4,994             | 40,943            | 9,652                                      | 69,966                            | 15,014         | *138                             |
| 44 Dividends received from foreign corporations .....                      | 58,496                   | *6,092                          | *3,632            | 27,708            | *4,319                                     | 15,251                            | 1,494          | *85                              |
| 45 Other receipts .....  | 2,080,529                | 250,165                         | 75,450            | 567,447           | 145,421                                    | 437,097                           | 604,949        | 5,735                            |
| 46 Total deductions .....  | 109,243,080              | 7,362,863                       | 6,860,974         | 31,916,353        | 11,768,030                                 | 13,975,044                        | 37,359,816     | 1,066,776                        |
| 47 Cost of sales and operations .....                                      | 56,369,251               | 3,594,691                       | 3,714,026         | 18,896,707        | 6,382,466                                  | 7,230,122                         | 16,551,239     | 731,805                          |
| 48 Compensation of officers .....  | 11,515,022               | 177,148                         | 483,709           | 2,016,123         | 690,977                                    | 524,673                           | 7,622,392      | 82,778                           |
| 49 Repairs .....   | 1,107,916                | 182,198                         | 98,239            | 215,036           | 242,636                                    | 175,051                           | 194,756        | 6,187                            |
| 50 Bad debts .....   | 391,592                  | 27,402                          | 32,048            | 123,805           | 43,432                                     | 39,191                            | 125,714        | 1,540                            |
| 51 Rent paid on business property .....                                    | 4,188,150                | 504,515                         | 319,103           | 969,637           | 462,152                                    | 588,718                           | 1,344,025      | 13,494                           |
| 52 Taxes paid .....  | 3,953,800                | 437,382                         | 290,113           | 1,040,090         | 411,378                                    | 566,277                           | 1,208,560      | 22,507                           |
| 53 Interest paid .....   | 2,239,010                | 352,484                         | 91,745            | 524,076           | 403,830                                    | 346,252                           | 520,623        | 14,044                           |
| 54 Contributions or gifts .....  | 50,761                   | 3,807                           | 4,536             | 13,834            | 4,205                                      | 11,545                            | 12,834         | 513                              |
| 55 Amortization .....  | 75,410                   | 4,489                           | 16,214            | 1,718             | 40,412                                     | 7,988                             | —              | *1,109                           |
| 56 Depreciation .....  | 5,452,908                | 440,148                         | 310,565           | 1,301,892         | 1,392,739                                  | 1,214,144                         | 793,420        | 19,071                           |
| 57 Depletion .....   | 10,064                   | *41                             | —                 | 1,090             | *3,065                                     | *743                              | 5,125          | —                                |
| 58 Advertising .....   | 1,276,069                | 151,271                         | 117,552           | 354,457           | 94,252                                     | 401,614                           | 156,923        | 4,218                            |
| 59 Pension, profit—sharing, stock bonus, and annuity plans .....           | 2,199,529                | 21,990                          | 52,337            | 351,959           | 50,437                                     | 91,462                            | 1,631,344      | 13,160                           |
| 60 Employee benefit programs .....   | 620,911                  | 42,524                          | 24,500            | 183,031           | 50,065                                     | 61,472                            | 259,319        | 3,540                            |
| 61 Net loss, noncapital assets .....                                       | 43,353                   | 3,931                           | 805               | 16,932            | 5,321                                      | 7,655                             | 8,709          | *39                              |
| 62 Other deductions .....  | 19,749,334               | 1,418,842                       | 1,317,107         | 5,891,470         | 1,529,357                                  | 2,675,713                         | 6,916,845      | 152,771                          |
| 63 Total receipts less total deductions .....                              | 6,939,916                | 460,161                         | 483,021           | 2,114,144         | 698,266                                    | 1,212,290                         | 1,972,034      | 50,093                           |
| 64 Constructive taxable income from related foreign corporations .....     | 52,280                   | *716                            | *3,195            | 21,331            | *2,918                                     | *10,565                           | 13,555         | *53                              |
| 65 Net income (line 63 plus 64 minus 36) .....                             | 6,977,268                | 459,867                         | 483,460           | 2,130,027         | 700,878                                    | 1,220,959                         | 1,982,081      | 50,045                           |
| 66 Income subject to tax .....   | 5,185,160                | 338,251                         | 347,884           | 1,624,241         | 550,934                                    | 907,629                           | 1,416,221      | 38,007                           |
| 67 Income tax, total .....   | 1,914,501                | 136,947                         | 124,775           | 629,476           | 194,658                                    | 385,617                           | 443,028        | 13,579                           |
| 68 Normal tax, surtax, and alternative tax .....                           | 1,897,282                | 135,932                         | 123,066           | 623,881           | 190,239                                    | 383,301                           | 440,863        | 13,561                           |
| 69 Tax from recomputing prior—year investment credit .....                 | 16,203                   | 873                             | 1,703             | 5,531             | 4,403                                      | 1,833                             | 1,860          | 18                               |
| 70 Tax from recomputing prior—year work incentive (WIN) credit .....       | *20                      | *20                             | —                 | *(1)              | *(1)                                       | —                                 | *(1)           | —                                |
| 71 Additional tax for tax preferences .....                                | 996                      | 122                             | *6                | *64               | *16  | *483                              | *305           | —                                |
| 72 Foreign tax credit .....  | 93,278                   | *157                            | 4,315             | 35,099            | 5,308                                      | 40,473                            | 7,926          | *57                              |
| 73 U.S. possessions tax credit .....                                       | 1,920                    | 36                              | —                 | 813               | 5  | —                                 | 1,066          | 552                              |
| 74 Investment credit .....   | 299,346                  | 19,332                          | 16,558            | 91,867            | 50,199                                     | 60,342                            | 61,048         | 1,058                            |
| 75 Work incentive (WIN) credit .....                                       | 948                      | *12                             | 41                | 373               | *198                                       | *7                                | 317            | —                                |
| Distributions to stockholders:   |                          |                                 |                   |                   |  |                                   |                |                                  |
| 76 Cash and property except in own stock .....                             | 1,065,030                | 72,855                          | 109,670           | 313,698           | 41,517                                     | 193,473                           | 333,817        | *1,523                           |
| 77 Corporation's own stock .....   | 99,800                   | *2,424                          | *2,992            | 6,064             | *2,769                                     | *67,982                           | 17,569         | —                                |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

\*Less than \$500 per return.

NOTE See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 4.—Balance Sheets and Income Statements, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|    | Item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |
|----|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|
|    |   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 |
|    |   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         |
| 1  | Number of returns .....   | 2,082,200                            | 64,874               | 1,130,622           | 389,152                   | 214,282                   | 130,200                     |
| 2  | Total assets .....  | 4,720,938,670                        | —                    | 38,269,689          | 62,105,566                | 75,744,315                | 90,791,259                  |
| 3  | Cash .....  | 314,548,604                          | —                    | 6,237,416           | 7,546,100                 | 8,404,966                 | 8,386,790                   |
| 4  | Notes and accounts receivable .....                                     | 1,169,304,296                        | —                    | 5,866,957           | 11,595,869                | 15,683,830                | 20,028,924                  |
| 5  | Less: Allowance for bad debts .....                                     | 32,024,662                           | —                    | 122,019             | 168,278                   | 277,548                   | 393,357                     |
| 6  | Inventories .....   | 350,644,363                          | —                    | 5,757,624           | 10,983,263                | 14,556,297                | 20,372,833                  |
| 7  | Investments in Government obligations:                                  |                                      |                      |                     |                           |                           |                             |
| 8  | United States .....   | 209,304,192                          | —                    | 65,480              | 194,255                   | 251,508                   | 366,499                     |
| 9  | State and local .....   | 147,831,154                          | —                    | 18,706              | 88,813                    | 118,109                   | 199,403                     |
| 10 | Other current assets .....  | 162,340,797                          | —                    | 1,522,292           | 2,587,160                 | 3,074,731                 | 3,987,321                   |
| 11 | Loans to stockholders .....   | 11,888,153                           | —                    | 1,349,388           | 1,326,487                 | 923,492                   | 869,955                     |
| 12 | Mortgage and real estate loans .....                                    | 598,859,539                          | —                    | 429,326             | 836,420                   | 953,835                   | 882,505                     |
| 13 | Other investments .....   | 699,026,910                          | —                    | 1,394,454           | 2,809,100                 | 3,740,661                 | 5,033,777                   |
| 14 | Depreciable assets .....  | 1,382,572,361                        | —                    | 24,290,558          | 33,378,545                | 37,514,646                | 41,708,462                  |
| 15 | Less: Accumulated depreciation .....                                    | 519,177,941                          | —                    | 12,567,336          | 16,226,615                | 17,666,280                | 19,443,619                  |
| 16 | Depletable assets .....   | 43,162,261                           | —                    | 100,168             | 150,591                   | 166,009                   | 268,752                     |
| 17 | Less: Accumulated depletion .....                                       | 16,016,051                           | —                    | 39,205              | 53,670                    | 37,818                    | 67,380                      |
| 18 | Land .....  | 69,617,238                           | —                    | 2,062,131           | 4,717,641                 | 6,017,956                 | 6,135,745                   |
| 19 | Intangible assets (amortizable) .....                                   | 14,534,249                           | —                    | 429,874             | 483,576                   | 442,978                   | 517,548                     |
| 20 | Less: Accumulated amortization .....                                    | 5,583,217                            | —                    | 161,036             | 176,821                   | 147,340                   | 174,045                     |
| 21 | Other assets .....  | 120,106,424                          | —                    | 1,634,911           | 2,033,130                 | 2,024,283                 | 2,111,146                   |
| 22 | Total liabilities .....   | 4,720,938,670                        | —                    | 38,269,689          | 62,105,566                | 75,744,315                | 90,791,259                  |
| 23 | Accounts payable .....  | 298,886,666                          | —                    | 6,015,747           | 9,348,447                 | 11,187,390                | 14,785,577                  |
| 24 | Mortgages, notes, and bonds payable in less than one year .....         | 279,666,019                          | —                    | 4,480,093           | 7,087,090                 | 9,985,269                 | 13,769,075                  |
| 25 | Other current liabilities .....   | 1,791,237,114                        | —                    | 3,267,052           | 4,094,826                 | 5,253,212                 | 6,601,893                   |
| 26 | Loans from stockholders .....   | 40,750,358                           | —                    | 6,641,650           | 5,389,621                 | 4,175,670                 | 3,874,720                   |
| 27 | Mortgages, notes, and bonds payable in one year or more .....           | 638,277,006                          | —                    | 6,790,558           | 11,899,198                | 14,994,010                | 17,659,629                  |
| 28 | Other liabilities .....   | 464,804,046                          | —                    | 1,514,626           | 1,575,882                 | 1,928,379                 | 2,828,409                   |
| 29 | Capital stock .....   | 268,788,251                          | —                    | 9,694,136           | 10,156,404                | 9,787,475                 | 9,575,310                   |
| 30 | Paid-in or capital surplus .....  | 321,885,839                          | —                    | 2,250,021           | 2,757,606                 | 2,902,194                 | 3,745,834                   |
| 31 | Retained earnings, appropriated .....                                   | 34,569,746                           | —                    | 195,469             | 269,572                   | 509,714                   | 579,165                     |
| 32 | Retained earnings, unappropriated .....                                 | 604,834,770                          | —                    | 1,594,146           | 11,199,048                | 16,804,578                | 19,165,917                  |
| 33 | Less: Cost of treasury stock .....                                      | 22,761,145                           | —                    | 1,005,517           | 1,692,128                 | 1,583,576                 | 1,794,270                   |
| 34 | Total receipts .....  | 3,635,471,982                        | 28,309,019           | 139,154,452         | 141,317,044               | 165,790,651               | 200,841,586                 |
| 35 | Business receipts .....   | 3,370,399,288                        | 24,665,288           | 135,781,375         | 137,110,433               | 160,906,235               | 195,500,029                 |
| 36 | Interest on Government obligations:                                     |                                      |                      |                     |                           |                           |                             |
| 37 | United States .....   | 13,371,626                           | 140,960              | 16,548              | 20,914                    | 28,794                    | 38,210                      |
| 38 | State and local .....   | 7,127,050                            | 8,667                | 1,104               | 6,615                     | 8,894                     | 15,654                      |
| 39 | Other interest .....  | 135,511,998                          | 2,461,229            | 270,697             | 401,627                   | 554,251                   | 697,281                     |
| 40 | Rents .....   | 24,742,127                           | 239,779              | 1,073,046           | 1,569,284                 | 1,664,609                 | 1,580,743                   |
| 41 | Royalties .....   | 5,776,660                            | 14,333               | 64,379              | 121,882                   | 67,121                    | 73,454                      |
| 42 | Net short-term capital gain reduced by net long-term capital loss ..... | 398,030                              | 6,693                | 22,581              | 20,489                    | 10,764                    | 11,885                      |
| 43 | Net long-term capital gain reduced by net short-term capital loss ..... | 9,675,290                            | 133,297              | 269,762             | 305,182                   | 295,575                   | 367,081                     |
| 44 | Net gain, noncapital assets .....                                       | 8,891,674                            | 173,991              | 305,581             | 284,524                   | 355,960                   | 429,268                     |
| 45 | Dividends received from domestic corporations .....                     | 11,968,994                           | 23,962               | 21,440              | 52,483                    | 70,036                    | 102,902                     |
| 46 | Dividends received from foreign corporations .....                      | 7,491,448                            | 9,550                | 163                 | 338                       | 260                       | 2,667                       |
| 47 | Other receipts .....  | 40,117,797                           | 431,270              | 1,327,776           | 1,423,273                 | 1,828,152                 | 2,022,412                   |
| 48 | Total deductions .....  | 3,446,662,676                        | 27,998,398           | 138,521,559         | 138,234,273               | 161,975,156               | 195,882,937                 |
| 49 | Cost of sales and operations .....                                      | 2,416,628,161                        | 18,760,847           | 77,176,657          | 92,226,353                | 115,880,288               | 146,963,083                 |
| 50 | Compensation of officers .....  | 64,001,760                           | 395,792              | 16,942,829          | 8,854,329                 | 7,521,214                 | 6,694,176                   |
| 51 | Repairs .....   | 26,397,911                           | 130,652              | 880,593             | 964,771                   | 1,053,869                 | 1,044,886                   |
| 52 | Bad debts .....   | 13,812,395                           | 193,097              | 270,253             | 407,591                   | 470,566                   | 509,365                     |
| 53 | Rent paid on business property .....                                    | 45,069,251                           | 326,510              | 4,786,430           | 3,041,768                 | 2,654,498                 | 2,454,711                   |
| 54 | Taxes paid .....  | 92,983,860                           | 592,346              | 3,958,200           | 3,724,619                 | 3,841,193                 | 4,179,640                   |
| 55 | Interest paid .....   | 135,056,207                          | 2,518,068            | 1,075,461           | 1,594,192                 | 2,013,387                 | 2,509,768                   |
| 56 | Contributions or gifts .....  | 1,487,408                            | 4,258                | 15,384              | 24,773                    | 39,053                    | 55,489                      |
| 57 | Amortization .....  | 868,134                              | 9,917                | 31,501              | 24,347                    | 20,576                    | 20,255                      |
| 58 | Depreciation .....  | 93,761,989                           | 564,142              | 2,562,680           | 2,919,547                 | 3,133,241                 | 3,462,297                   |
| 59 | Depletion .....   | 5,632,809                            | 14,425               | 21,148              | 19,563                    | 30,557                    | 57,442                      |
| 60 | Advertising .....   | 30,777,100                           | 135,318              | 1,170,118           | 1,195,199                 | 1,295,946                 | 1,315,120                   |
| 61 | Pension, profit-sharing, stock bonus, and annuity plans .....           | 31,354,998                           | 77,849               | 1,899,216           | 660,714                   | 759,682                   | 937,444                     |
| 62 | Employee benefit programs .....   | 19,285,318                           | 80,828               | 470,109             | 418,873                   | 480,101                   | 624,774                     |
| 63 | Net loss, noncapital assets .....                                       | 1,955,480                            | 86,254               | 162,682             | 53,213                    | 64,378                    | 83,045                      |
| 64 | Other deductions .....  | 469,810,095                          | 4,108,095            | 27,098,298          | 22,104,421                | 22,716,607                | 24,971,442                  |
| 65 | Total receipts less total deductions .....                              | 186,589,106                          | 310,621              | 632,893             | 3,082,771                 | 3,815,495                 | 4,958,649                   |
| 66 | Constructive taxable income from related foreign corporations .....     | 5,957,050                            | 5,774                | —                   | —                         | —                         | 996                         |
| 67 | Net income (less deficit) (line 63 plus 64 minus 36) .....              | 185,419,106                          | 307,728              | 631,789             | 3,076,156                 | 3,806,601                 | 4,943,991                   |
| 68 | Net income .....  | 210,406,400                          | 1,320,376            | 4,282,604           | 5,205,064                 | 5,621,009                 | 6,683,030                   |
| 69 | Deficit .....   | 24,987,294                           | 1,012,648            | 3,650,815           | 2,128,908                 | 1,814,408                 | 1,739,039                   |
| 70 | Income subject to tax .....   | 183,471,529                          | 1,065,594            | 2,272,360           | 3,518,273                 | 4,021,960                 | 4,937,341                   |
| 71 | Income tax, total .....   | 83,291,815                           | 467,213              | 472,027             | 821,011                   | 1,077,618                 | 1,676,844                   |
| 72 | Normal tax, surtax, and alternative tax .....                           | 82,793,852                           | 453,326              | 468,898             | 813,996                   | 1,069,221                 | 1,661,418                   |
| 73 | Tax from recomputing prior-year investment credit .....                 | 304,877                              | 11,133               | 3,129               | 6,677                     | 7,797                     | 13,871                      |
| 74 | Tax from recomputing prior-year work incentive (WIN) credit .....       | 153                                  | —                    | —                   | —                         | —                         | 13                          |
| 75 | Additional tax for tax preferences .....                                | 192,933                              | 2,754                | —                   | —                         | 600                       | 1,542                       |
| 76 | Foreign tax credit .....  | 23,578,926                           | 38,104               | 1,579               | 809                       | 260                       | 2,821                       |
| 77 | U.S. possessions tax credit .....                                       | 703,429                              | 17,737               | 219                 | 432                       | 1,038                     | 3,560                       |
| 78 | Investment credit .....   | 9,152,712                            | 32,417               | 68,847              | 121,427                   | 148,501                   | 194,225                     |
| 79 | Work incentive (WIN) credit .....                                       | 9,352                                | 21                   | 240                 | 792                       | 495                       | 926                         |
| 80 | Distributions to stockholders:  |                                      |                      |                     |                           |                           |                             |
| 81 | Cash and property except in own stock .....                             | 54,644,375                           | 543,381              | 904,604             | 717,114                   | 744,744                   | 801,099                     |
| 82 | Corporation's own stock .....   | 2,522,340                            | 15,109               | 5,743               | 4,409                     | 13,261                    | 45,703                      |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 4.—Balance Sheets and Income Statements, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Item |   | Size of total assets—Continued      |                                      |                                       |                                       |  |   |                          |
|------|---|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--|---|--------------------------|
|      |   | \$1,000,000<br>under<br>\$5,000,000 | \$5,000,000<br>under<br>\$10,000,000 | \$10,000,000<br>under<br>\$25,000,000 | \$25,000,000<br>under<br>\$50,000,000 | \$50,000,000<br>under<br>\$100,000,000 | \$100,000,000<br>under<br>\$250,000,000 | \$250,000,000<br>or more |
|      |   | (7)                                 | (8)                                  | (9)                                   | (10)                                  | (11)                                   | (12)                                    | (13)                     |
| 1    | Number of returns .....   | 110,601                             | 15,736                               | 12,909                                | 6,011                                 | 3,421                                  | 2,342                                   | 2,050                    |
| 2    | Total assets .....  | 221,900,131                         | 110,374,231                          | 204,696,738                           | 210,554,681                           | 237,649,803                            | 363,807,535                             | 3,105,044,722            |
| 3    | Cash .....  | 17,151,881                          | 7,952,361                            | 13,907,841                            | 12,928,354                            | 12,522,062                             | 17,547,368                              | 201,963,465              |
| 4    | Notes and accounts receivable .....                                     | 51,339,036                          | 30,730,482                           | 65,748,794                            | 62,764,090                            | 59,542,999                             | 69,337,756                              | 776,665,559              |
| 5    | Less: Allowance for bad debts .....                                     | 1,086,563                           | 635,973                              | 1,605,922                             | 2,180,886                             | 2,873,253                              | 4,817,884                               | 17,862,979               |
| 6    | Inventories .....   | 47,333,371                          | 17,268,936                           | 20,166,136                            | 15,427,307                            | 16,085,603                             | 24,660,396                              | 158,032,597              |
| 7    | Investments in Government obligations:                                  |                                     |                                      |                                       |                                       |  |   |                          |
| 8    | United States .....   | 2,617,839                           | 5,465,059                            | 15,509,583                            | 15,768,395                            | 15,507,095                             | 21,696,132                              | 131,862,347              |
| 9    | State and local .....   | 1,219,938                           | 2,429,292                            | 10,174,199                            | 11,665,357                            | 10,985,327                             | 13,969,399                              | 96,962,611               |
| 10   | Other current assets .....  | 10,841,414                          | 4,924,643                            | 7,373,143                             | 6,963,832                             | 7,170,453                              | 12,504,549                              | 101,391,259              |
| 11   | Loans to stockholders .....   | 1,470,385                           | 373,248                              | 402,972                               | 410,394                               | 398,388                                | 688,573                                 | 3,674,871                |
| 12   | Mortgage and real estate loans .....                                    | 3,560,869                           | 4,289,575                            | 18,744,342                            | 36,545,278                            | 56,585,630                             | 96,753,889                              | 379,277,870              |
| 13   | Other investments .....   | 15,581,816                          | 9,182,866                            | 18,054,515                            | 19,838,355                            | 27,970,374                             | 52,501,843                              | 542,919,149              |
| 14   | Depreciable assets .....  | 94,924,362                          | 36,997,290                           | 45,384,531                            | 36,568,955                            | 40,446,965                             | 72,406,972                              | 918,951,075              |
| 15   | Less: Accumulated depreciation .....                                    | 42,011,834                          | 15,899,216                           | 18,927,463                            | 14,552,708                            | 15,839,657                             | 27,785,583                              | 318,257,630              |
| 16   | Depletable assets .....   | 916,308                             | 540,161                              | 1,060,640                             | 1,036,198                             | 1,098,981                              | 2,496,288                               | 35,328,165               |
| 17   | Less: Accumulated depletion .....                                       | 283,818                             | 159,473                              | 286,169                               | 345,274                               | 271,384                                | 836,351                                 | 13,635,509               |
| 18   | Land .....  | 11,979,547                          | 3,782,987                            | 4,380,588                             | 3,054,859                             | 3,328,129                              | 4,388,538                               | 19,769,117               |
| 19   | Intangible assets (amortizable) .....                                   | 1,214,213                           | 889,741                              | 787,117                               | 814,049                               | 809,047                                | 1,013,175                               | 7,132,931                |
| 20   | Less: Accumulated amortization .....                                    | 431,230                             | 321,314                              | 230,356                               | 202,231                               | 253,445                                | 298,389                                 | 3,187,010                |
| 21   | Other assets .....  | 5,562,597                           | 2,563,566                            | 4,052,247                             | 4,050,357                             | 4,436,489                              | 7,580,864                               | 84,056,834               |
| 22   | Total liabilities .....   | 221,900,131                         | 110,374,231                          | 204,696,738                           | 210,554,681                           | 237,649,803                            | 363,807,535                             | 3,105,044,722            |
| 23   | Accounts payable .....  | 33,815,137                          | 12,855,872                           | 13,928,245                            | 10,018,566                            | 10,658,764                             | 16,073,391                              | 160,199,530              |
| 24   | Mortgages, notes, and bonds payable in less than one year .....         | 34,172,533                          | 12,000,192                           | 15,266,438                            | 13,045,063                            | 13,172,098                             | 16,434,095                              | 140,254,073              |
| 25   | Other current liabilities .....   | 22,401,644                          | 28,581,971                           | 91,754,285                            | 111,674,874                           | 125,161,508                            | 181,419,682                             | 1,211,006,167            |
| 26   | Loans from stockholders .....   | 5,170,272                           | 1,313,322                            | 1,200,168                             | 925,572                               | 969,407                                | 1,322,478                               | 9,767,478                |
| 27   | Mortgages, notes, and bonds payable in one year or more .....           | 43,765,958                          | 17,547,298                           | 22,143,713                            | 19,867,042                            | 23,148,487                             | 36,883,316                              | 423,577,797              |
| 28   | Other liabilities .....   | 8,287,088                           | 4,655,591                            | 9,091,701                             | 9,447,686                             | 12,491,231                             | 23,282,965                              | 389,700,488              |
| 29   | Capital stock .....   | 18,478,434                          | 7,114,249                            | 11,306,415                            | 8,719,347                             | 9,633,867                              | 16,143,133                              | 158,179,481              |
| 30   | Paid-in or capital surplus .....  | 11,459,979                          | 6,954,704                            | 12,650,831                            | 14,153,603                            | 18,228,447                             | 30,861,087                              | 215,921,533              |
| 31   | Retained earnings, appropriated .....                                   | 1,313,601                           | 690,756                              | 1,215,799                             | 1,150,424                             | 1,335,675                              | 2,355,839                               | 24,933,732               |
| 32   | Retained earnings, unappropriated .....                                 | 46,574,643                          | 19,809,490                           | 27,523,985                            | 22,492,398                            | 23,980,365                             | 40,729,182                              | 378,349,310              |
| 33   | Less: Cost of treasury stock .....                                      | 3,539,158                           | 1,149,214                            | 1,384,842                             | 939,894                               | 1,130,046                              | -/                                      | -                        |
| 34   | Total receipts .....  | 443,188,644                         | 152,363,022                          | 176,412,017                           | 136,605,782                           | 145,638,772                            | 226,970,092                             | 1,678,880,901            |
| 35   | Business receipts .....   | 430,019,812                         | 145,969,884                          | 164,179,897                           | 123,459,173                           | 131,054,922                            | 205,085,217                             | 1,516,667,023            |
| 36   | Interest on Government obligations:                                     |                                     |                                      |                                       |                                       |  |   |                          |
| 37   | United States .....   | 211,965                             | 391,627                              | 1,092,847                             | 1,073,816                             | 1,064,211                              | 1,410,912                               | 7,880,822                |
| 38   | State and local .....   | 90,455                              | 117,015                              | 444,757                               | 463,528                               | 466,588                                | 751,772                                 | 4,752,001                |
| 39   | Other interest .....  | 2,146,735                           | 1,943,280                            | 5,877,087                             | 7,448,358                             | 8,775,250                              | 12,968,889                              | 91,967,314               |
| 40   | Rents .....   | 3,163,021                           | 1,072,048                            | 1,144,337                             | 923,686                               | 815,417                                | 1,282,029                               | 10,214,128               |
| 41   | Royalties .....   | 242,003                             | 81,337                               | 154,032                               | 132,420                               | 198,708                                | 371,700                                 | 4,255,291                |
| 42   | Net short—term capital gain reduced by net long—term capital loss ..... | 33,013                              | 16,230                               | 22,615                                | 17,398                                | 22,496                                 | 28,959                                  | 184,907                  |
| 43   | Net long—term capital gain reduced by net short—term capital loss ..... | 908,544                             | 344,467                              | 434,280                               | 361,938                               | 446,199                                | 812,934                                 | 4,996,031                |
| 44   | Net gain, noncapital assets .....                                       | 946,375                             | 375,411                              | 482,774                               | 352,017                               | 337,039                                | 519,863                                 | 4,328,871                |
| 45   | Dividends received from domestic corporations .....                     | 422,182                             | 232,593                              | 386,155                               | 337,169                               | 591,448                                | 797,761                                 | 8,930,863                |
| 46   | Dividends received from foreign corporations .....                      | 22,638                              | 25,132                               | 48,100                                | 100,682                               | 148,877                                | 326,091                                 | 6,806,950                |
| 47   | Other receipts .....  | 4,981,901                           | 1,793,998                            | 2,145,136                             | 1,935,597                             | 1,717,617                              | 2,613,965                               | 17,896,700               |
| 48   | Total deductions .....  | 430,275,361                         | 146,580,313                          | 168,378,688                           | 129,441,870                           | 138,694,159                            | 215,016,410                             | 1,557,883,752            |
| 49   | Cost of sales and operations .....                                      | 331,937,451                         | 112,702,310                          | 124,320,233                           | 91,133,551                            | 97,708,803                             | 148,410,204                             | 1,059,408,381            |
| 50   | Compensation of officers .....  | 9,553,308                           | 2,222,633                            | 2,284,306                             | 1,419,580                             | 1,259,507                              | 1,466,384                               | 5,387,702                |
| 51   | Repairs .....   | 2,089,544                           | 693,493                              | 861,084                               | 691,069                               | 770,885                                | 1,585,279                               | 15,631,786               |
| 52   | Bad debts .....   | 1,125,238                           | 457,630                              | 651,545                               | 603,266                               | 764,638                                | 1,200,375                               | 7,158,831                |
| 53   | Rent paid on business property .....                                    | 4,575,883                           | 1,470,487                            | 1,960,933                             | 1,474,850                             | 1,610,915                              | 2,631,772                               | 18,080,494               |
| 54   | Taxes paid .....  | 8,684,635                           | 3,011,232                            | 3,638,116                             | 3,244,618                             | 3,275,661                              | 4,910,578                               | 49,923,022               |
| 55   | Interest paid .....   | 6,136,502                           | 3,013,185                            | 5,986,735                             | 6,770,507                             | 7,963,600                              | 11,768,119                              | 83,706,683               |
| 56   | Contributions or gifts .....  | 158,478                             | 68,840                               | 87,766                                | 71,367                                | 64,839                                 | 98,601                                  | 798,560                  |
| 57   | Amortization .....  | 61,048                              | 31,510                               | 80,913                                | 37,016                                | 41,920                                 | 59,674                                  | 449,457                  |
| 58   | Depreciation .....  | 7,593,137                           | 2,855,053                            | 3,450,575                             | 2,602,304                             | 2,927,979                              | 5,025,191                               | 56,665,843               |
| 59   | Depletion .....   | 176,979                             | 141,158                              | 211,259                               | 174,090                               | 171,817                                | 354,194                                 | 4,260,177                |
| 60   | Advertising .....   | 3,011,684                           | 1,132,884                            | 1,391,331                             | 1,382,346                             | 1,375,369                              | 2,454,435                               | 14,917,350               |
| 61   | Pension, profit-sharing, stock bonus, and annuity plans .....           | 2,016,014                           | 719,223                              | 936,027                               | 799,069                               | 916,044                                | 1,613,781                               | 20,019,935               |
| 62   | Employee benefit programs .....   | 1,340,493                           | 521,563                              | 703,821                               | 584,282                               | 734,621                                | 1,263,457                               | 12,062,396               |
| 63   | Net loss, noncapital assets .....                                       | 163,952                             | 77,279                               | 112,369                               | 74,411                                | 67,793                                 | 243,460                                 | 766,644                  |
| 64   | Other deductions .....  | 51,651,015                          | 17,461,833                           | 21,701,675                            | 18,379,544                            | 19,039,768                             | 31,930,906                              | 208,646,491              |
| 65   | Total receipts less total deductions .....                              | 12,913,283                          | 5,782,709                            | 8,033,329                             | 7,163,912                             | 6,944,613                              | 11,953,682                              | 120,997,149              |
| 66   | Constructive taxable income from related foreign corporations .....     | 6,174                               | 14,355                               | 30,176                                | 58,566                                | 88,426                                 | 242,443                                 | 5,510,140                |
| 67   | Net income (less deficit) (line 63 plus 64 minus 36) .....              | 12,899,002                          | 5,800,499                            | 7,618,748                             | 6,758,950                             | 6,566,451                              | 11,444,353                              | 121,755,288              |
| 68   | Net income .....  | 16,472,129                          | 7,034,353                            | 9,246,010                             | 7,744,798                             | 7,654,329                              | 13,125,725                              | 126,016,973              |
| 69   | Deficit .....   | 3,643,127                           | 1,354,304                            | 1,627,262                             | 985,848                               | 1,087,878                              | 1,681,372                               | 4,261,685                |
| 70   | Income subject to tax .....   | 13,262,766                          | 5,862,369                            | 7,543,795                             | 6,459,127                             | 6,187,939                              | 11,199,638                              | 117,080,367              |
| 71   | Income tax, total .....   | 5,596,475                           | 2,677,266                            | 3,491,631                             | 3,030,926                             | 2,927,141                              | 5,295,626                               | 55,758,037               |
| 72   | Normal tax, surtax, and alternative tax .....                           | 5,559,933                           | 2,660,938                            | 3,470,497                             | 3,009,971                             | 2,906,009                              | 5,257,617                               | 55,462,028               |
| 73   | Tax from recomputing prior-year investment credit .....                 | 30,614                              | 11,557                               | 13,818                                | 11,838                                | 9,977                                  | 18,488                                  | 165,978                  |
| 74   | Tax from recomputing prior-year work incentive (WIN) credit .....       | 24                                  | 3                                    | 7                                     | 4                                     | (1)                                    | 2                                       | 33                       |
| 75   | Additional tax for tax preferences .....                                | 5,904                               | 4,768                                | 7,309                                 | 9,113                                 | 11,155                                 | 19,519                                  | 129,998                  |
| 76   | Foreign tax credit .....  | 25,640                              | 24,421                               | 65,009                                | 136,387                               | 129,584                                | 414,101                                 | 22,740,211               |
| 77   | U.S. possessions tax credit .....                                       | 34,632                              | 53,120                               | 86,016                                | 87,466                                | 42,686                                 | 265,476                                 | 111,047                  |
| 78   | Investment credit .....   | 467,992                             | 193,383                              | 241,213                               | 197,784                               | 226,781                                | 434,125                                 | 6,826,017                |
| 79   | Work incentive (WIN) credit .....                                       | 1,110                               | 304                                  | 316                                   | 344                                   | 322                                    | 447                                     | 4,035                    |
| 80   | Distributions to stockholders:  |                                     |                                      |                                       |                                       |  |   |                          |
| 81   | Cash and property except in own stock .....                             | 1,977,508                           | 970,032                              | 1,592,018                             | 1,601,065                             | 1,775,314                              | 3,215,878                               | 39,801,618               |
| 82   | Corporation's own stock .....   | 303,322                             | 142,581                              | 213,039                               | 189,627                               | 251,181                                | 342,271                                 | 996,094                  |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup>Less than \$500 per return.

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 5.—Balance Sheets and Income Statements, by Size of Total Assets

(All figures are estimates based on samples—money amounts are in thousands of dollars)

|    | Item  | Total returns with net income | Size of total assets |                     |                           |                           |                             |
|----|---|-------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|
|    |   |                               | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 |
|    |   | (1)                           | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         |
| 1  | Number of returns .....   | 1,273,535                     | 24,741               | 595,919             | 270,736                   | 161,069                   | 100,753                     |
| 2  | Total assets .....  | 4,014,108,431                 | —                    | 23,360,633          | 43,618,396                | 57,208,191                | 70,523,076                  |
| 3  | Cash .....  | 263,801,987                   | —                    | 4,567,336           | 6,299,677                 | 7,213,808                 | 7,303,070                   |
| 4  | Notes and accounts receivable .....                                     | 975,071,881                   | —                    | 3,678,533           | 8,578,611                 | 12,481,705                | 16,699,872                  |
| 5  | Less: Allowance for bad debts .....                                     | 26,920,671                    | —                    | 68,584              | 114,085                   | 215,252                   | 295,516                     |
| 6  | Inventories .....   | 296,045,586                   | —                    | 3,294,371           | 7,855,928                 | 11,620,142                | 18,519,044                  |
| 7  | Investments in Government obligations:                                  |                               |                      |                     |                           |                           |                             |
| 8  | United States .....   | 171,496,602                   | —                    | 47,819              | 144,993                   | 218,456                   | 294,070                     |
| 9  | State and local .....   | 113,039,779                   | —                    | 12,101              | 51,888                    | 87,651                    | 162,207                     |
| 10 | Other current assets .....  | 133,979,323                   | —                    | 833,957             | 1,650,604                 | 2,073,182                 | 2,736,816                   |
| 11 | Loans to stockholders .....   | 8,438,825                     | —                    | 856,742             | 944,630                   | 653,692                   | 626,243                     |
| 12 | Mortgage and real estate loans .....                                    | 547,155,731                   | —                    | 308,419             | 622,868                   | 751,715                   | 647,730                     |
| 13 | Other investments .....   | 611,797,868                   | —                    | 834,776             | 2,060,983                 | 2,889,354                 | 3,931,924                   |
| 14 | Depreciable assets .....  | 1,199,684,262                 | —                    | 14,247,506          | 22,291,701                | 27,335,168                | 31,282,610                  |
| 15 | Less: Accumulated depreciation .....                                    | 454,181,568                   | —                    | 7,514,442           | 11,206,158                | 13,422,201                | 15,207,333                  |
| 16 | Depletable assets .....   | 38,648,502                    | —                    | 69,829              | 62,914                    | 65,833                    | 168,462                     |
| 17 | Less: Accumulated depletion .....                                       | 14,892,452                    | —                    | 29,584              | 15,843                    | 18,160                    | 56,980                      |
| 18 | Land .....  | 49,303,996                    | —                    | 1,136,312           | 2,668,952                 | 3,959,416                 | 3,996,264                   |
| 19 | Intangible assets (amortizable) .....                                   | 12,115,525                    | —                    | 204,513             | 318,161                   | 286,476                   | 314,396                     |
| 20 | Less: Accumulated amortization .....                                    | 4,899,725                     | —                    | 82,574              | 117,799                   | 106,889                   | 122,466                     |
| 21 | Other assets .....  | 94,422,980                    | —                    | 963,603             | 1,320,371                 | 1,334,095                 | 1,522,663                   |
| 22 | Total liabilities .....   | 4,014,108,431                 | —                    | 23,360,633          | 43,618,396                | 57,208,191                | 70,523,076                  |
| 23 | Accounts payable .....  | 245,965,074                   | —                    | 3,012,250           | 6,195,691                 | 8,334,669                 | 11,568,877                  |
| 24 | Mortgages, notes, and bonds payable in less than one year .....         | 211,487,204                   | —                    | 1,945,544           | 3,923,985                 | 6,226,129                 | 9,380,330                   |
| 25 | Other current liabilities .....   | 1,502,425,888                 | —                    | 1,958,668           | 2,951,096                 | 4,117,308                 | 5,370,186                   |
| 26 | Loans from stockholders .....   | 25,134,948                    | —                    | 2,520,398           | 2,704,463                 | 2,470,924                 | 2,349,653                   |
| 27 | Mortgages, notes, and bonds payable in one year or more .....           | 510,551,834                   | —                    | 3,113,367           | 6,413,513                 | 9,219,729                 | 10,935,755                  |
| 28 | Other liabilities .....   | 417,718,637                   | —                    | 879,037             | 994,784                   | 1,408,510                 | 1,832,289                   |
| 29 | Capital stock .....   | 226,471,822                   | —                    | 4,797,428           | 6,698,168                 | 6,915,989                 | 6,923,282                   |
| 30 | Paid-in or capital surplus .....  | 263,181,899                   | —                    | 942,494             | 1,455,935                 | 1,660,512                 | 2,117,645                   |
| 31 | Retained earnings, appropriated .....                                   | 31,710,040                    | —                    | 149,459             | 220,645                   | 445,219                   | 482,275                     |
| 32 | Retained earnings, unappropriated .....                                 | 598,611,409                   | —                    | 4,653,307           | 13,363,111                | 17,639,723                | 21,012,936                  |
| 33 | Less: Cost of treasury stock .....                                      | 19,150,324                    | —                    | 611,319             | 1,302,995                 | 1,230,521                 | 1,450,152                   |
| 34 | Total receipts .....  | 3,152,050,626                 | 20,250,795           | 90,769,762          | 106,789,275               | 135,732,735               | 170,782,213                 |
| 35 | Business receipts .....   | 2,926,308,664                 | 17,988,122           | 88,635,132          | 103,488,466               | 131,839,026               | 166,466,217                 |
| 36 | Interest on Government obligations:                                     |                               |                      |                     |                           |                           |                             |
| 37 | United States .....   | 11,005,053                    | 35,224               | 8,446               | 16,116                    | 23,664                    | 31,095                      |
| 38 | State and local .....   | 5,198,787                     | 4,915                | 672                 | 3,878                     | 7,376                     | 11,844                      |
| 39 | Other interest .....  | 115,978,606                   | 1,488,613            | 182,560             | 312,503                   | 447,923                   | 567,915                     |
| 40 | Rents .....   | 19,749,678                    | 139,268              | 631,837             | 1,187,964                 | 1,346,983                 | 1,206,627                   |
| 41 | Royalties .....   | 5,483,705                     | 11,574               | 53,150              | 105,342                   | 43,248                    | 59,418                      |
| 42 | Net short-term capital gain reduced by net long-term capital loss ..... | 322,333                       | 6,018                | 18,861              | 14,195                    | 8,301                     | 10,861                      |
| 43 | Net long-term capital gain reduced by net short-term capital loss ..... | 8,672,688                     | 116,678              | 206,115             | 260,399                   | 251,523                   | 311,662                     |
| 44 | Net gain, noncapital assets .....                                       | 7,663,852                     | 154,785              | 243,440             | 224,422                   | 282,416                   | 361,283                     |
| 45 | Dividends received from domestic corporations .....                     | 11,017,954                    | 17,157               | 19,059              | 46,351                    | 64,534                    | 94,776                      |
| 46 | Dividends received from foreign corporations .....                      | 7,293,516                     | 8,305                | 163                 | 338                       | 259                       | 2,562                       |
| 47 | Other receipts .....  | 33,355,790                    | 280,136              | 770,327             | 1,129,301                 | 1,417,482                 | 1,657,953                   |
| 48 | Total deductions .....  | 2,942,316,094                 | 18,931,142           | 86,486,486          | 101,580,333               | 130,104,350               | 164,088,335                 |
| 49 | Cost of sales and operations .....                                      | 2,078,389,758                 | 14,238,075           | 47,679,245          | 67,946,003                | 94,380,772                | 124,485,578                 |
| 50 | Compensation of officers .....  | 51,429,233                    | 231,368              | 11,780,964          | 7,001,511                 | 6,366,346                 | 5,855,944                   |
| 51 | Repairs .....   | 22,733,870                    | 75,275               | 494,940             | 667,957                   | 770,361                   | 830,099                     |
| 52 | Bad debts .....   | 9,802,668                     | 56,161               | 117,122             | 261,330                   | 315,474                   | 375,611                     |
| 53 | Rent paid on business property .....                                    | 36,013,552                    | 175,641              | 2,824,060           | 2,200,559                 | 1,909,872                 | 1,963,285                   |
| 54 | Taxes paid .....  | 80,695,222                    | 386,505              | 2,481,688           | 2,712,654                 | 3,048,632                 | 3,411,278                   |
| 55 | Interest paid .....   | 110,433,466                   | 1,321,058            | 511,252             | 927,157                   | 1,301,918                 | 1,660,803                   |
| 56 | Contributions or gifts .....  | 1,468,878                     | 4,192                | 13,318              | 23,893                    | 38,656                    | 55,236                      |
| 57 | Amortization .....  | 648,047                       | 6,703                | 11,419              | 13,789                    | 11,024                    | 14,167                      |
| 58 | Depreciation .....  | 81,127,863                    | 313,553              | 1,507,792           | 2,002,715                 | 2,313,199                 | 2,659,463                   |
| 59 | Depletion .....   | 5,042,887                     | 13,176               | 14,278              | 17,590                    | 22,870                    | 52,120                      |
| 60 | Advertising .....   | 26,840,330                    | 64,440               | 695,074             | 893,061                   | 919,610                   | 1,056,390                   |
| 61 | Pension, profit-sharing, stock bonus, and annuity plans .....           | 28,458,629                    | 64,471               | 1,470,874           | 560,700                   | 682,110                   | 875,139                     |
| 62 | Employee benefit programs .....   | 17,205,952                    | 61,240               | 328,651             | 298,312                   | 377,677                   | 505,301                     |
| 63 | Net loss, noncapital assets .....                                       | 666,724                       | 3,691                | 19,311              | 14,062                    | 16,316                    | 28,665                      |
| 64 | Other deductions .....  | 391,359,015                   | 1,915,593            | 16,536,498          | 16,039,040                | 17,629,513                | 20,259,256                  |
| 65 | Total receipts less total deductions .....                              | 209,734,532                   | 1,319,653            | 4,283,276           | 5,208,942                 | 5,628,385                 | 6,693,878                   |
| 66 | Constructive taxable income from related foreign corporations .....     | 5,870,655                     | 5,638                | —                   | —                         | —                         | *996                        |
| 67 | Net income (line 63 plus 64 minus 36) .....                             | 210,406,400                   | 1,320,376            | 4,282,604           | 5,205,064                 | 5,621,009                 | 6,683,030                   |
| 68 | Income subject to tax .....   | 183,470,928                   | 1,065,594            | 2,272,352           | 3,518,253                 | 4,021,912                 | 4,997,339                   |
| 69 | Income tax, total .....   | 83,243,068                    | 463,122              | 471,230             | 819,336                   | 1,075,797                 | 1,674,274                   |
| 70 | Normal tax, surtax, and alternative tax .....                           | 82,793,693                    | 453,326              | 468,894             | 813,992                   | 1,069,211                 | 1,661,418                   |
| 71 | Tax from recomputing prior-year investment credit .....                 | 275,747                       | 7,249                | 2,336               | 5,006                     | 6,356                     | 11,405                      |
| 72 | Tax from recomputing prior-year work incentive (WIN) credit .....       | 133                           | —                    | —                   | 67                        | —                         | —                           |
| 73 | Additional tax for tax preferences .....                                | 173,495                       | 2,547                | —                   | 271                       | *230                      | 1,451                       |
| 74 | Foreign tax credit .....  | 23,578,918                    | 38,104               | *1,579              | 809                       | 260                       | 2,821                       |
| 75 | U.S. possessions tax credit .....                                       | 703,429                       | 17,737               | 219                 | 432                       | 1,038                     | 3,560                       |
| 76 | Investment credit .....   | 9,152,657                     | 32,417               | 68,847              | 121,427                   | 148,501                   | 194,225                     |
| 77 | Work incentive (WIN) credit .....                                       | 9,352                         | 21                   | 240                 | 792                       | 495                       | 926                         |
| 78 | Distributions to stockholders:  |                               |                      |                     |                           |                           |                             |
| 79 | Cash and property except in own stock .....                             | 51,709,325                    | 375,132              | 840,643             | 655,000                   | 710,329                   | 771,690                     |
| 80 | Corporation's own stock .....   | 2,361,078                     | 6,753                | *5,340              | *4,409                    | 11,211                    | 45,257                      |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS WITH NET INCOME

Table 5.—Balance Sheets and Income Statements, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

|    | Item  | Size of total assets—Continued      |                                      |                                       |                                       |  |   |                          |
|----|---|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--|---|--------------------------|
|    |   | \$1,000,000<br>under<br>\$5,000,000 | \$5,000,000<br>under<br>\$10,000,000 | \$10,000,000<br>under<br>\$25,000,000 | \$25,000,000<br>under<br>\$50,000,000 | \$50,000,000<br>under<br>\$100,000,000 | \$100,000,000<br>under<br>\$250,000,000 | \$250,000,000<br>or more |
|    |   | (7)                                 | (8)                                  | (9)                                   | (10)                                  | (11)                                   | (12)                                    | (13)                     |
| 1  | Number of returns .....   | 85,694                              | 12,538                               | 10,524                                | 5,024                                 | 2,874                                  | 1,947                                   | 1,716                    |
| 2  | Total assets .....  | 171,419,149                         | 88,309,936                           | 167,438,061                           | 176,232,786                           | 199,230,548                            | 301,453,172                             | 2,715,314,483            |
| 3  | Cash .....  | 14,779,345                          | 6,892,484                            | 11,796,394                            | 11,008,037                            | 10,597,584                             | 14,406,267                              | 168,937,985              |
| 4  | Notes and accounts receivable .....                                     | 42,775,291                          | 25,905,543                           | 55,764,223                            | 53,112,416                            | 49,589,884                             | 55,715,820                              | 650,769,983              |
| 5  | Less: Allowance for bad debts .....                                     | 825,795                             | 488,174                              | 1,306,250                             | 1,897,381                             | 2,517,340                              | 3,903,950                               | 15,288,344               |
| 6  | Inventories .....   | 39,576,516                          | 14,105,994                           | 16,398,037                            | 12,906,983                            | 13,610,406                             | 21,258,017                              | 138,900,148              |
| 7  | Investments in Government obligations:                                  |                                     |                                      |                                       |                                       |  |   |                          |
| 8  | United States .....   | 2,177,941                           | 4,800,377                            | 13,518,314                            | 13,395,864                            | 13,419,121                             | 18,052,802                              | 105,426,845              |
| 9  | State and local .....   | 985,605                             | 2,119,842                            | 8,704,123                             | 9,645,439                             | 8,886,293                              | 10,370,359                              | 72,014,271               |
| 10 | Other current assets .....  | 7,516,556                           | 3,513,781                            | 5,407,207                             | 5,313,090                             | 5,403,534                              | 10,346,746                              | 89,183,850               |
| 11 | Loans to stockholders .....   | 1,032,010                           | 279,268                              | 298,544                               | 355,175                               | 303,801                                | 546,646                                 | 2,542,074                |
| 12 | Mortgage and real estate loans .....                                    | 2,465,489                           | 3,702,690                            | 17,086,858                            | 33,770,564                            | 52,075,445                             | 86,121,037                              | 349,602,916              |
| 13 | Other investments .....   | 11,764,945                          | 7,186,727                            | 14,006,406                            | 15,770,330                            | 22,204,908                             | 42,966,671                              | 488,180,844              |
| 14 | Depreciable assets .....  | 70,218,285                          | 28,199,048                           | 34,402,920                            | 28,948,940                            | 32,321,877                             | 58,922,741                              | 851,513,466              |
| 15 | Less: Accumulated depreciation .....                                    | 32,834,443                          | 12,627,247                           | 15,050,621                            | 12,104,187                            | 13,316,336                             | 23,619,281                              | 297,279,319              |
| 16 | Depletable assets .....   | 567,843                             | 386,837                              | 684,870                               | 842,416                               | 677,430                                | 1,665,055                               | 33,457,013               |
| 17 | Less: Accumulated depletion .....                                       | 172,705                             | 131,644                              | 218,024                               | 311,390                               | 203,448                                | 507,613                                 | 13,227,061               |
| 18 | Land .....  | 7,408,656                           | 2,381,171                            | 2,716,880                             | 2,109,782                             | 2,279,398                              | 3,088,405                               | 17,358,760               |
| 19 | Intangible assets (amortizable) .....                                   | 712,421                             | 651,201                              | 549,644                               | 657,301                               | 655,369                                | 949,197                                 | 6,816,846                |
| 20 | Less: Accumulated amortization .....                                    | 277,736                             | 273,802                              | 172,673                               | 160,835                               | 199,856                                | 279,425                                 | 3,105,670                |
| 21 | Other assets .....  | 3,548,925                           | 1,705,840                            | 2,851,209                             | 2,870,242                             | 3,442,478                              | 5,353,678                               | 69,509,876               |
| 22 | Total liabilities .....   | 171,419,149                         | 88,309,936                           | 167,438,061                           | 176,232,786                           | 199,230,548                            | 301,453,172                             | 2,715,314,483            |
| 23 | Accounts payable .....  | 26,724,757                          | 10,071,776                           | 10,802,794                            | 8,112,543                             | 8,613,009                              | 13,205,717                              | 139,322,991              |
| 24 | Mortgages, notes, and bonds payable in less than one year .....         | 23,763,237                          | 8,549,657                            | 10,786,414                            | 9,782,660                             | 9,096,244                              | 10,563,517                              | 117,459,487              |
| 25 | Other current liabilities .....   | 17,764,973                          | 24,502,625                           | 79,963,273                            | 96,944,854                            | 109,987,627                            | 154,372,847                             | 1,004,492,431            |
| 26 | Loans from stockholders .....   | 2,890,184                           | 691,104                              | 663,846                               | 469,373                               | 564,319                                | 1,119,804                               | 8,690,880                |
| 27 | Mortgages, notes, and bonds payable in one year or more .....           | 26,420,827                          | 10,769,325                           | 13,371,204                            | 13,420,209                            | 15,646,274                             | 25,787,430                              | 375,454,201              |
| 28 | Other liabilities .....   | 5,571,829                           | 3,264,406                            | 6,222,016                             | 6,684,817                             | 9,397,278                              | 18,799,086                              | 362,664,585              |
| 29 | Capital stock .....   | 13,892,710                          | 5,423,071                            | 8,859,119                             | 6,802,520                             | 7,695,259                              | 12,615,374                              | 145,848,902              |
| 30 | Paid-in or capital surplus .....  | 6,740,857                           | 4,472,637                            | 8,907,331                             | 10,917,143                            | 14,231,581                             | 23,952,879                              | 187,782,885              |
| 31 | Retained earnings, appropriated .....                                   | 1,063,694                           | 599,743                              | 1,050,799                             | 995,657                               | 1,159,039                              | 1,954,575                               | 23,588,935               |
| 32 | Retained earnings, unappropriated .....                                 | 49,557,700                          | 20,916,031                           | 27,965,177                            | 22,954,780                            | 23,766,859                             | 40,677,826                              | 356,103,959              |
| 33 | Less: Cost of treasury stock .....                                      | 2,971,619                           | 950,439                              | 1,163,912                             | 851,770                               | 926,941                                | 1,595,883                               | 6,094,773                |
| 34 | Total receipts .....  | 380,457,257                         | 129,534,051                          | 146,963,063                           | 117,265,232                           | 124,603,077                            | 196,082,329                             | 1,532,820,837            |
| 35 | Business receipts .....   | 369,967,427                         | 124,284,496                          | 136,812,930                           | 106,118,157                           | 112,275,201                            | 177,825,184                             | 1,390,608,306            |
| 36 | Interest on Government obligations:                                     |                                     |                                      |                                       |                                       |  |   |                          |
| 37 | United States .....   | 174,751                             | 345,850                              | 972,222                               | 931,197                               | 937,494                                | 1,197,488                               | 6,331,506                |
| 38 | State and local .....   | 70,381                              | 100,216                              | 364,614                               | 377,990                               | 372,185                                | 458,959                                 | 3,425,757                |
| 39 | Other interest .....  | 1,712,089                           | 1,635,519                            | 5,088,679                             | 6,485,302                             | 7,588,999                              | 11,012,605                              | 79,455,899               |
| 40 | Rents .....   | 2,354,445                           | 801,678                              | 786,305                               | 640,357                               | 529,033                                | 870,248                                 | 9,254,933                |
| 41 | Royalties .....   | 192,381                             | 69,615                               | 133,558                               | 102,634                               | 185,619                                | 359,847                                 | 4,167,319                |
| 42 | Net short-term capital gain reduced by net long-term capital loss ..... | 25,268                              | 12,567                               | 18,684                                | 15,494                                | 16,461                                 | 24,404                                  | 151,219                  |
| 43 | Net long-term capital gain reduced by net short-term capital loss ..... | 768,242                             | 300,607                              | 359,618                               | 313,130                               | 369,305                                | 736,784                                 | 4,678,625                |
| 44 | Net gain, noncapital assets .....                                       | 739,638                             | 314,481                              | 386,830                               | 279,350                               | 274,001                                | 418,363                                 | 3,984,843                |
| 45 | Dividends received from domestic corporations .....                     | 390,548                             | 215,676                              | 340,187                               | 303,104                               | 539,082                                | 711,823                                 | 8,275,657                |
| 46 | Dividends received from foreign corporations .....                      | 18,235                              | 23,991                               | 45,846                                | 96,254                                | 147,197                                | 310,773                                 | 6,639,593                |
| 47 | Other receipts .....  | 4,043,852                           | 1,429,355                            | 1,653,590                             | 1,602,263                             | 1,368,500                              | 2,155,851                               | 15,847,180               |
| 48 | Total deductions .....  | 363,920,579                         | 122,413,306                          | 137,381,708                           | 109,198,542                           | 116,663,108                            | 182,731,776                             | 1,408,816,429            |
| 49 | Cost of sales and operations .....                                      | 284,477,616                         | 95,155,945                           | 102,349,001                           | 77,373,322                            | 82,785,821                             | 127,510,561                             | 960,007,819              |
| 50 | Compensation of officers .....  | 8,319,100                           | 1,917,068                            | 1,934,606                             | 1,218,710                             | 1,063,709                              | 1,252,890                               | 4,487,009                |
| 51 | Repairs .....   | 1,652,793                           | 556,442                              | 694,514                               | 585,127                               | 660,621                                | 1,336,850                               | 14,408,891               |
| 52 | Bad debts .....   | 801,234                             | 297,456                              | 435,193                               | 425,615                               | 514,638                                | 766,230                                 | 5,436,604                |
| 53 | Rent paid on business property .....                                    | 3,642,723                           | 1,156,132                            | 1,567,412                             | 1,222,902                             | 1,353,852                              | 2,187,367                               | 15,809,747               |
| 54 | Taxes paid .....  | 7,129,681                           | 2,479,585                            | 3,013,187                             | 2,836,975                             | 2,840,464                              | 4,257,712                               | 46,096,861               |
| 55 | Interest paid .....   | 4,080,929                           | 2,183,042                            | 4,663,593                             | 5,593,704                             | 6,556,692                              | 9,595,437                               | 72,037,881               |
| 56 | Contributions or gifts .....  | 150,920                             | 67,809                               | 86,478                                | 71,233                                | 64,759                                 | 98,356                                  | 794,028                  |
| 57 | Amortization .....  | 34,537                              | 20,365                               | 57,674                                | 20,666                                | 34,233                                 | 50,112                                  | 373,358                  |
| 58 | Depreciation .....  | 5,861,400                           | 2,280,292                            | 2,685,586                             | 2,144,463                             | 2,324,296                              | 4,196,108                               | 52,838,996               |
| 59 | Depletion .....   | 148,996                             | 111,601                              | 172,985                               | 154,589                               | 145,969                                | 285,318                                 | 3,903,395                |
| 60 | Advertising .....   | 2,459,776                           | 955,424                              | 1,165,795                             | 1,214,283                             | 1,197,312                              | 2,181,434                               | 14,037,731               |
| 61 | Pension, profit-sharing, stock bonus, and annuity plans .....           | 1,853,227                           | 650,629                              | 830,552                               | 721,615                               | 827,500                                | 1,434,944                               | 18,486,868               |
| 62 | Employee benefit programs .....   | 1,122,697                           | 437,739                              | 584,664                               | 503,242                               | 629,010                                | 1,074,426                               | 11,282,993               |
| 63 | Net loss, noncapital assets .....                                       | 47,734                              | 24,950                               | 38,349                                | 35,178                                | 35,124                                 | 69,329                                  | 334,015                  |
| 64 | Other deductions .....  | 42,137,216                          | 14,118,827                           | 17,102,119                            | 15,076,918                            | 15,629,108                             | 26,434,694                              | 188,480,233              |
| 65 | Total receipts less total deductions .....                              | 16,536,678                          | 7,120,745                            | 9,581,355                             | 8,066,690                             | 7,939,969                              | 13,350,553                              | 124,004,408              |
| 66 | Constructive taxable income from related foreign corporations .....     | 5,832                               | 13,824                               | 29,269                                | 56,098                                | 86,545                                 | 234,131                                 | 5,438,322                |
| 67 | Net income (line 63 plus 64 minus 36) .....                             | 16,472,129                          | 7,034,353                            | 9,246,010                             | 7,744,798                             | 7,654,329                              | 13,125,725                              | 126,016,973              |
| 68 | Income subject to tax .....   | 13,262,673                          | 5,862,322                            | 7,543,795                             | 6,459,127                             | 6,187,889                              | 11,199,638                              | 117,080,034              |
| 69 | Income tax, total .....   | 5,592,374                           | 2,675,530                            | 3,488,222                             | 3,029,507                             | 2,924,272                              | 5,291,355                               | 55,738,049               |
| 70 | Normal tax, surtax, and alternative tax .....                           | 5,559,913                           | 2,660,928                            | 3,470,497                             | 3,009,971                             | 2,905,998                              | 5,257,617                               | 55,461,928               |
| 71 | Tax from recomputing prior-year investment credit .....                 | 26,749                              | 10,190                               | 11,079                                | 10,972                                | 7,901                                  | 15,882                                  | 160,622                  |
| 72 | Tax from recomputing prior-year work incentive (WIN) credit .....       | 24                                  | (1)                                  | 7                                     | 4                                     | (1)                                    | 2                                       | 29                       |
| 73 | Additional tax for tax preferences .....                                | 5,688                               | 4,412                                | 6,639                                 | 8,560                                 | 10,373                                 | 17,854                                  | 115,470                  |
| 74 | Foreign tax credit .....  | 25,640                              | 24,421                               | 65,009                                | 136,387                               | 129,584                                | 414,101                                 | 22,740,203               |
| 75 | U.S. possessions tax credit .....                                       | 34,632                              | 53,120                               | 86,016                                | 87,466                                | 42,686                                 | 265,476                                 | 111,047                  |
| 76 | Investment credit .....   | 467,991                             | 193,382                              | 241,213                               | 197,784                               | 226,770                                | 434,125                                 | 6,825,975                |
| 77 | Work incentive (WIN) credit .....                                       | 1,110                               | 304                                  | 316                                   | 344                                   | 322                                    | 447                                     | 4,035                    |
| 78 | Distributions to stockholders:  |                                     |                                      |                                       |                                       |  |   |                          |
| 79 | Cash and property except in own stock .....                             | 1,878,947                           | 929,382                              | 1,501,826                             | 1,524,882                             | 1,671,110                              | 3,025,825                               | 37,824,559               |
| 80 | Corporation's own stock .....   | 289,976                             | 133,114                              | 199,494                               | 181,655                               | 240,538                                | 300,765                                 | 942,566                  |

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\* Less than \$500 per return.

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| All Industries  |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 2,082,200                            | 64,874               | 1,130,622           | 389,152                   | 214,282                   | 130,200                     | 110,601                       | 15,736                         | 12,909                          | 6,011                           | 3,421                            | 2,342                             | 2,050                 |
| Total assets  | 4,720,938,670                        | —                    | 38,269,689          | 62,105,566                | 75,744,315                | 90,791,259                  | 221,900,131                   | 110,374,231                    | 204,696,738                     | 210,554,681                     | 237,649,803                      | 363,807,535                       | 3,105,044,722         |
| Notes and accounts receivable, net                      | 1,137,279,634                        | —                    | 5,744,938           | 11,427,591                | 15,406,282                | 19,635,567                  | 50,252,473                    | 30,094,509                     | 64,142,872                      | 60,583,204                      | 56,669,746                       | 64,519,872                        | 758,802,580           |
| Inventories   | 350,644,363                          | —                    | 5,757,624           | 10,983,263                | 14,556,297                | 20,372,833                  | 47,333,371                    | 17,268,936                     | 20,166,136                      | 15,427,307                      | 16,085,603                       | 24,660,396                        | 158,032,597           |
| Cash, Government obligations, and other current assets  | 834,024,747                          | —                    | 7,843,894           | 10,416,328                | 11,849,314                | 12,940,013                  | 31,831,072                    | 20,771,355                     | 46,964,766                      | 47,325,938                      | 46,184,937                       | 65,717,448                        | 532,179,682           |
| Other investments and loans <sup>1</sup>                | 1,309,774,602                        | —                    | 3,173,168           | 4,972,007                 | 5,617,988                 | 6,786,237                   | 20,613,070                    | 13,845,689                     | 37,201,829                      | 56,794,027                      | 84,954,392                       | 149,944,305                       | 925,871,890           |
| Depreciable assets                                      | 1,382,572,361                        | —                    | 24,290,558          | 33,378,545                | 37,514,646                | 41,708,462                  | 94,924,362                    | 36,997,290                     | 45,384,531                      | 36,568,955                      | 40,446,965                       | 72,406,972                        | 918,951,075           |
| Less: Accumulated depreciation                          | 519,177,941                          | —                    | 12,567,336          | 16,226,615                | 17,666,280                | 19,443,619                  | 42,011,834                    | 15,899,216                     | 18,927,463                      | 14,552,708                      | 15,839,657                       | 27,785,583                        | 318,257,630           |
| Other capital assets less reserves <sup>2</sup>         | 105,714,480                          | —                    | 2,391,932           | 5,121,317                 | 6,441,785                 | 6,680,620                   | 13,395,020                    | 4,732,102                      | 5,711,820                       | 4,357,601                       | 4,711,328                        | 6,763,261                         | 45,407,694            |
| Accounts and notes payable <sup>3</sup>                 | 578,552,685                          | —                    | 10,495,840          | 16,435,537                | 21,172,659                | 28,554,652                  | 67,987,670                    | 24,856,064                     | 29,194,683                      | 23,063,629                      | 23,830,862                       | 32,507,486                        | 300,453,603           |
| Other current liabilities                               | 1,791,237,114                        | —                    | 3,287,052           | 4,094,826                 | 5,253,212                 | 6,601,893                   | 22,401,644                    | 28,581,971                     | 91,754,285                      | 111,674,874                     | 125,161,508                      | 181,419,682                       | 1,211,006,167         |
| Mortgages, notes, and bonds payable in one year or more | 638,277,006                          | —                    | 6,790,558           | 11,899,198                | 14,984,010                | 17,659,629                  | 43,765,958                    | 17,547,298                     | 22,143,713                      | 19,867,042                      | 23,148,487                       | 36,883,316                        | 423,577,797           |
| Net worth   | 1,207,317,461                        | —                    | 9,539,963           | 22,710,502                | 28,220,385                | 31,271,956                  | 74,287,499                    | 33,419,985                     | 51,312,188                      | 45,575,878                      | 52,048,308                       | 88,391,608                        | 770,539,189           |
| Cost of property used for investment credit             | 138,146,411                          | 437,690              | 2,754,710           | 3,236,779                 | 3,563,695                 | 4,017,335                   | 8,965,107                     | 3,419,863                      | 3,933,263                       | 2,972,972                       | 3,714,077                        | 6,552,253                         | 94,578,667            |
| Total receipts  | 3,635,471,982                        | 28,309,019           | 139,154,452         | 141,317,044               | 165,790,651               | 200,841,586                 | 443,188,644                   | 152,363,022                    | 176,412,017                     | 136,605,782                     | 145,638,772                      | 226,970,092                       | 1,678,880,901         |
| Business receipts                                       | 3,370,399,288                        | 24,665,288           | 135,781,375         | 137,110,433               | 160,906,235               | 195,500,029                 | 430,019,812                   | 145,969,884                    | 164,179,897                     | 123,459,173                     | 131,054,922                      | 205,085,217                       | 1,516,667,023         |
| Cost of sales and operations                            | 2,416,628,161                        | 18,760,847           | 77,176,657          | 92,226,353                | 115,880,288               | 146,963,083                 | 331,937,451                   | 112,702,310                    | 124,320,233                     | 91,133,551                      | 97,708,803                       | 148,410,204                       | 1,059,408,381         |
| Taxes paid  | 92,983,860                           | 592,346              | 3,958,200           | 3,724,619                 | 3,841,193                 | 4,179,640                   | 8,684,635                     | 3,011,232                      | 3,638,116                       | 3,244,618                       | 3,275,661                        | 4,910,578                         | 49,923,022            |
| Interest paid   | 135,056,207                          | 2,518,068            | 1,075,461           | 1,594,192                 | 2,013,387                 | 2,509,768                   | 6,136,502                     | 3,013,185                      | 5,986,735                       | 6,770,507                       | 7,963,600                        | 11,768,119                        | 83,706,683            |
| Depreciation  | 93,761,989                           | 564,142              | 2,562,680           | 2,919,547                 | 3,133,241                 | 3,462,297                   | 7,593,137                     | 2,855,053                      | 3,450,575                       | 2,602,304                       | 2,927,979                        | 5,025,191                         | 56,665,843            |
| Pension, profit-sharing, stock bonus, and annuity plans | 31,354,998                           | 77,849               | 1,899,216           | 660,714                   | 759,682                   | 937,444                     | 2,016,014                     | 719,223                        | 936,027                         | 799,069                         | 916,044                          | 1,613,781                         | 20,019,935            |
| Employee benefit programs                               | 19,285,318                           | 80,828               | 470,109             | 148,873                   | 480,101                   | 624,774                     | 1,340,493                     | 521,563                        | 703,821                         | 584,282                         | 734,621                          | 1,263,457                         | 12,082,396            |
| Net income (less deficit)                               | 185,419,106                          | 307,728              | 631,789             | 3,076,156                 | 3,806,601                 | 4,943,991                   | 12,829,002                    | 5,680,049                      | 7,618,748                       | 6,758,950                       | 6,586,451                        | 11,444,353                        | 121,755,288           |
| Net income  | 210,406,400                          | 1,320,376            | 4,282,604           | 5,205,064                 | 5,621,009                 | 6,683,030                   | 16,472,129                    | 7,034,353                      | 9,246,010                       | 7,744,798                       | 7,654,329                        | 13,125,725                        | 126,016,973           |
| Income subject to tax                                   | 183,471,529                          | 1,065,594            | 2,272,360           | 3,518,273                 | 4,021,960                 | 4,997,341                   | 13,262,766                    | 5,862,369                      | 7,543,795                       | 6,459,127                       | 6,187,939                        | 11,199,638                        | 117,080,367           |
| Income tax, total                                       | 83,291,815                           | 467,213              | 472,027             | 821,011                   | 1,077,618                 | 1,676,844                   | 5,596,475                     | 2,677,266                      | 3,491,631                       | 3,030,926                       | 2,927,141                        | 5,295,626                         | 55,578,037            |
| Additional tax for tax preferences                      | 192,933                              | 2,754                | ( <sup>1</sup> )    | *271                      | *600                      | 1,542                       | 5,904                         | 4,768                          | 7,309                           | 9,113                           | 11,155                           | 19,519                            | 129,998               |
| Foreign tax credit                                      | 23,578,926                           | 38,104               | *1,579              | 809                       | 260                       | 2,821                       | 25,640                        | 24,421                         | 65,009                          | 136,387                         | 129,584                          | 414,101                           | 22,740,211            |
| U.S. possessions tax credit                             | 703,429                              | 17,737               | 219                 | 432                       | 1,038                     | 3,560                       | 34,632                        | 53,120                         | 86,016                          | 87,466                          | 42,686                           | 265,476                           | 111,047               |
| Investment credit                                       | 9,152,712                            | 32,417               | 68,847              | 121,427                   | 148,501                   | 194,225                     | 467,992                       | 193,383                        | 241,213                         | 197,784                         | 226,781                          | 434,125                           | 6,826,017             |
| Work incentive (WIN) credit                             | 9,352                                | 21                   | 240                 | 792                       | 495                       | 926                         | 1,110                         | 304                            | 316                             | 344                             | 322                              | 447                               | 4,035                 |
| Distributions to stockholders except in own stock       | 54,644,375                           | 543,381              | 904,604             | 717,114                   | 744,744                   | 801,099                     | 1,977,508                     | 970,032                        | 1,592,018                       | 1,601,065                       | 1,775,314                        | 3,215,878                         | 39,801,618            |
| Agriculture, Forestry, and Fishing                      |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 60,289                               | 1,156                | 23,838              | 14,135                    | 11,477                    | 5,737                       | 3,608                         | 220                            | 87                              | 14                              | 9                                | 8                                 | 8                     |
| Total assets  | 23,803,530                           | —                    | 984,335             | 2,283,388                 | 4,064,083                 | 3,993,862                   | 6,476,120                     | 1,502,249                      | 1,316,428                       | 460,098                         | 591,631                          | 2,131,336                         | 289,593               |
| Notes and accounts receivable, net                      | 2,016,715                            | —                    | 59,376              | 142,532                   | 260,734                   | 224,629                     | 523,677                       | 166,038                        | 173,212                         | 77,629                          | 99,295                           | 289,593                           | 289,593               |
| Inventories   | 2,312,930                            | —                    | 70,444              | 133,012                   | 295,282                   | 334,623                     | 743,341                       | 163,902                        | 164,157                         | 74,157                          | 45,201                           | 288,811                           | 288,811               |
| Cash, Government obligations, and other current assets  | 2,198,235                            | —                    | 163,775             | 270,840                   | 391,848                   | 319,910                     | 549,694                       | 149,561                        | 93,202                          | 47,716                          | 72,275                           | 139,414                           | 139,414               |
| Other investments and loans <sup>1</sup>                | 2,391,939                            | —                    | 55,888              | 150,654                   | 302,561                   | 307,843                     | 621,566                       | 208,909                        | 179,863                         | 64,651                          | 124,397                          | 375,607                           | 375,607               |
| Depreciable assets                                      | 14,273,672                           | —                    | 818,729             | 1,737,607                 | 2,798,199                 | 2,370,038                   | 3,620,448                     | 762,818                        | 627,545                         | 212,175                         | 220,612                          | 1,105,501                         | 1,105,501             |
| Less: Accumulated depreciation                          | 6,309,242                            | —                    | 390,777             | 839,711                   | 1,295,376                 | 1,039,226                   | 1,555,318                     | 327,428                        | 240,856                         | 86,625                          | 80,079                           | 453,846                           | 453,846               |
| Other capital assets less reserves <sup>2</sup>         | 5,799,035                            | —                    | 169,481             | 615,195                   | 1,135,380                 | 1,310,181                   | 1,749,161                     | 339,754                        | 257,329                         | 53,337                          | 90,468                           | 78,749                            | 78,749                |
| Accounts and notes payable <sup>3</sup>                 | 5,599,353                            | —                    | 257,098             | 405,286                   | 954,337                   | 979,410                     | 1,864,020                     | 356,005                        | 357,767                         | 149,218                         | 90,668                           | 185,544                           | 185,544               |
| Other current liabilities                               | 967,477                              | —                    | 39,255              | 46,784                    | 94,163                    | 103,638                     | 246,472                       | 63,965                         | 65,792                          | 20,967                          | 84,254                           | 202,187                           | 202,187               |
| Mortgages, notes, and bonds payable in one year or more | 6,925,430                            | —                    | 172,943             | 1,056,935                 | 1,190,294                 | 2,231,807                   | 448,944                       | 429,464                        | 123,523                         | 270,257                         | 488,752                          | 983,338                           | 983,338               |
| Net worth   | 7,893,503                            | —                    | 270,914             | 1,043,772                 | 1,552,584                 | 1,372,052                   | 1,548,291                     | 483,360                        | 392,676                         | 152,377                         | 94,139                           | 983,338                           | 983,338               |
| Cost of property used for investment credit             | 1,638,461                            | 19,675               | 126,174             | 192,554                   | 345,061                   | 297,622                     | 398,176                       | 71,928                         | 70,413                          | 23,145                          | 24,604                           | 69,109                            | 69,109                |
| Total receipts  | 32,433,149                           | 330,331              | 3,297,799           | 2,844,341                 | 4,597,915                 | 4,140,529                   | 7,958,193                     | 2,334,292                      | 1,685,697                       | 872,404                         | 624,373                          | 3,747,275                         | 3,747,275             |
| Business receipts                                       | 30,818,836                           | 313,912              | 3,237,925           | 2,694,130                 | 4,365,294                 | 3,913,917                   | 7,544,891                     | 2,213,577                      | 1,596,939                       | 848,188                         | 573,260                          | 3,516,803                         | 3,516,803             |
| Cost of sales and operations                            | 22,831,591                           | 224,195              | 2,199,670           | 1,761,610                 | 2,977,335                 | 2,715,557                   | 6,000,729                     | 1,882,774                      | 1,284,248                       | 717,183                         | 468,855                          | 2,599,435                         | 2,599,435             |
| Taxes paid  | 728,808                              | 8,017                | 78,098              | 85,606                    | 113,346                   | 101,451                     | 151,492                       | 33,598                         | 28,340                          | 10,546                          | 14,083                           | 104,231                           | 104,231               |
| Interest paid   | 861,338                              | 15,012               | 34,773              | 65,013                    | 136,382                   | 145,423                     | 262,828                       | 52,604                         | 49,709                          | 18,230                          | 23,442                           | 57,922                            | 57,922                |
| Depreciation  | 1,220,019                            | 12,704               | 98,300              | 160,022                   | 253,523                   | 209,598                     | 290,617                       | 53,933                         | 46,033                          | 16,808                          | 17,682                           | 60,799                            | 60,799                |
| Pension, profit-sharing, stock bonus, and annuity plans | 107,547                              | *418                 | 14,185              | 4,928                     | 21,196                    | 13,887                      | 21,472                        | 5,647                          | 4,783                           | 2,697                           | 2,620                            | 15,714                            | 15,714                |
| Employee benefit programs                               | 57,783                               | 644                  | 5,773               | 3,284                     | 4,560                     | 5,516                       | 11,079                        | 2,921                          | 5,046                           | 1,277                           | 1,016                            | 16,667                            |                       |

<sup>1</sup> Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Total Mining  |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 15,606                               | 588                  | 5,365               | 2,569                     | 2,509                     | 1,949                       | 1,824                         | 346                            | 241                             | 78                              | 55                               | 42                                | 40                    |
| Total assets  | 76,701,653                           | —                    | 174,404             | 426,183                   | 911,001                   | 1,367,355                   | 3,759,972                     | 2,469,643                      | 3,752,345                       | 2,797,864                       | 3,971,003                        | 6,512,370                         | 50,559,513            |
| Notes and accounts receivable, net                      | 16,130,428                           | —                    | 28,162              | 60,921                    | 151,187                   | 249,580                     | 677,617                       | 442,227                        | 573,192                         | 421,819                         | 553,855                          | 803,212                           | 12,168,656            |
| Inventories   | 3,864,203                            | —                    | 210                 | 18,814                    | 49,130                    | 47,700                      | 174,355                       | 116,575                        | 181,710                         | 115,028                         | 159,278                          | 375,872                           | 2,625,531             |
| Cash, Government obligations, and other current assets  | 6,600,549                            | —                    | 29,593              | 72,705                    | 188,966                   | 236,413                     | 601,831                       | 349,414                        | 642,264                         | 334,221                         | 460,829                          | 551,075                           | 3,133,238             |
| Other investments and loans <sup>1</sup>                | 16,468,232                           | —                    | 24,874              | 59,007                    | 87,039                    | 90,776                      | 367,500                       | 296,337                        | 495,816                         | 339,893                         | 727,257                          | 963,381                           | 13,016,352            |
| Depreciable assets                                      | 38,389,891                           | —                    | 131,468             | 322,361                   | 718,564                   | 1,089,254                   | 2,697,249                     | 1,580,462                      | 2,119,387                       | 1,588,033                       | 1,930,659                        | 3,928,495                         | 22,283,959            |
| Less: Accumulated depreciation                          | 13,948,006                           | —                    | 54,480              | 169,288                   | 371,215                   | 533,845                     | 1,340,940                     | 785,619                        | 1,018,618                       | 646,897                         | 693,337                          | 1,437,435                         | 6,896,332             |
| Other capital assets less reserves <sup>2</sup>         | 7,175,287                            | —                    | 12,576              | 41,582                    | 66,706                    | 164,417                     | 457,325                       | 399,001                        | 656,231                         | 492,321                         | 661,311                          | 1,113,521                         | 3,110,296             |
| Accounts and notes payable <sup>1</sup>                 | 9,949,259                            | —                    | 49,769              | 143,729                   | 268,545                   | 418,440                     | 1,019,016                     | 512,919                        | 644,412                         | 511,043                         | 539,116                          | 648,481                           | 5,193,789             |
| Other current liabilities                               | 11,627,807                           | —                    | 13,875              | 22,696                    | 47,113                    | 80,665                      | 238,004                       | 183,307                        | 281,526                         | 290,055                         | 323,324                          | 593,517                           | 9,553,725             |
| Mortgages, notes, and bonds payable in one year or more | 12,299,490                           | —                    | 47,286              | 47,035                    | 170,133                   | 232,821                     | 605,994                       | 500,613                        | 723,378                         | 524,907                         | 965,291                          | 1,554,827                         | 6,927,205             |
| Net worth   | 37,958,193                           | —                    | 17,000              | 156,101                   | 355,243                   | 289,439                     | 1,622,295                     | 1,118,722                      | 1,728,395                       | 1,249,551                       | 1,823,702                        | 3,110,844                         | 26,520,901            |
| Cost of property used for investment credit             | 4,241,402                            | 33,849               | 13,512              | 73,730                    | 142,566                   | 162,826                     | 506,196                       | 245,894                        | 298,665                         | 226,955                         | 340,662                          | 558,442                           | 1,638,105             |
| Total receipts  | 84,329,009                           | 404,589              | 322,101             | 857,728                   | 1,289,556                 | 1,511,841                   | 4,398,425                     | 2,440,807                      | 3,272,141                       | 2,230,563                       | 2,616,101                        | 4,292,210                         | 60,692,947            |
| Business receipts                                       | 81,581,326                           | 349,603              | 284,319             | 830,725                   | 1,224,089                 | 1,439,131                   | 4,161,298                     | 2,312,511                      | 3,040,400                       | 2,076,357                       | 2,417,906                        | 3,971,374                         | 59,473,613            |
| Cost of sales and operations                            | 39,110,630                           | 229,602              | 150,000             | 543,291                   | 737,626                   | 767,444                     | 2,670,758                     | 1,521,786                      | 1,924,999                       | 1,247,832                       | 1,568,197                        | 2,361,929                         | 25,387,166            |
| Taxes paid  | 1,385,296                            | 10,110               | 10,172              | 19,307                    | 41,792                    | 60,792                      | 127,896                       | 74,017                         | 92,876                          | 61,267                          | 77,132                           | 125,940                           | 683,995               |
| Interest paid   | 1,234,840                            | 8,733                | 5,166               | 6,324                     | 16,637                    | 45,870                      | 91,754                        | 48,182                         | 81,485                          | 53,528                          | 89,823                           | 138,609                           | 684,729               |
| Depreciation  | 2,548,922                            | 27,386               | 15,686              | 31,895                    | 93,036                    | 123,688                     | 322,624                       | 155,931                        | 192,921                         | 120,966                         | 148,521                          | 295,481                           | 1,020,787             |
| Pension, profit-sharing, stock bonus, and annuity plans | 335,430                              | 2,748                | *338                | *1,007                    | 2,954                     | 5,656                       | 26,108                        | 12,268                         | 16,321                          | 14,521                          | 16,008                           | 44,339                            | 193,162               |
| Employee benefit programs                               | 276,810                              | 10,536               | *147                | *1,148                    | 3,239                     | 5,671                       | 17,023                        | 13,101                         | 19,141                          | 11,620                          | 33,983                           | 37,592                            | 123,609               |
| Net income (less deficit)                               | 30,024,706                           | 39,685               | —38,321             | 25,583                    | 13,281                    | 28,877                      | 209,181                       | 63,349                         | 291,412                         | 306,016                         | 142,437                          | 491,325                           | 28,451,881            |
| Net income  | 30,995,113                           | 53,967               | 21,500              | 61,957                    | 86,379                    | 128,575                     | 370,388                       | 164,606                        | 356,217                         | 333,739                         | 222,957                          | 576,663                           | 28,578,165            |
| Income subject to tax                                   | 30,389,014                           | 49,443               | 12,104              | 21,259                    | 63,317                    | 73,534                      | 281,467                       | 137,993                        | 308,084                         | 294,966                         | 189,079                          | 555,794                           | 28,401,974            |
| Income tax, total                                       | 14,548,609                           | 24,913               | 2,434               | 4,394                     | 20,387                    | 27,367                      | 126,038                       | 66,317                         | 146,625                         | 143,135                         | 91,394                           | 252,982                           | 13,643,623            |
| Additional tax for tax preferences                      | 54,405                               | *543                 | —                   | *14                       | *502                      | 827                         | 3,057                         | 3,569                          | 4,929                           | 4,055                           | 3,953                            | 6,763                             | 26,207                |
| Foreign tax credit                                      | 13,348,618                           | *23                  | —                   | —                         | —                         | —                           | *4,277                        | *213                           | 20,803                          | 38,182                          | 10,598                           | 112,384                           | 13,162,138            |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 215,251                              | 1,319                | *290                | 2,395                     | 4,421                     | 5,131                       | 22,856                        | 11,554                         | 16,374                          | 11,243                          | 15,372                           | 25,043                            | 99,253                |
| Work incentive (WIN) credit                             | 41                                   | —                    | —                   | —                         | *14                       | —                           | —                             | *3                             | 1                               | 6                               | —                                | 13                                | 18                    |
| Distributions to stockholders except in own stock       | 4,088,323                            | *15,403              | *5,479              | *20,048                   | 12,945                    | 26,777                      | 102,969                       | 26,115                         | 63,797                          | 112,837                         | 41,528                           | 72,678                            | 3,587,747             |
| Mining: Metal Mining                                    |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 970                                  | 155                  | *528                | *68                       | *46                       | *69                         | 56                            | *14                            | 11                              | 4                               | ...                              | ...                               | 8                     |
| Total assets  | 10,480,670                           | —                    | *11,802             | *7,684                    | *12,633                   | *47,517                     | 149,771                       | *93,225                        | 151,862                         | 149,976                         | 1,522,636                        | 8,333,564                         | 8,333,564             |
| Notes and accounts receivable, net                      | 845,370                              | —                    | —                   | —                         | —                         | *1,187                      | 37,104                        | *10,824                        | 11,503                          | 5,252                           | 62,276                           | 717,224                           | 717,224               |
| Inventories   | 877,771                              | —                    | —                   | —                         | —                         | —                           | —                             | *3,353                         | 9,358                           | 9,747                           | 181,109                          | 671,308                           | 671,308               |
| Cash, Government obligations, and other current assets  | 912,080                              | —                    | *143                | *3,468                    | *105                      | *4,490                      | 15,925                        | *16,677                        | 48,707                          | 11,810                          | 128,091                          | 682,664                           | 682,664               |
| Other investments and loans <sup>1</sup>                | 2,992,054                            | —                    | *858                | —                         | —                         | *215                        | *8,263                        | *29,139                        | 9,030                           | 4,432                           | 323,773                          | 2,616,344                         | 2,616,344             |
| Depreciable assets                                      | 5,218,707                            | —                    | *15,545             | *340                      | *4,268                    | *7,800                      | 43,473                        | *16,124                        | 57,871                          | 143,801                         | 938,671                          | 3,990,814                         | 3,990,814             |
| Less: Accumulated depreciation                          | 1,819,745                            | —                    | *4,744              | *272                      | *867                      | *336                        | 27,677                        | *6,366                         | 31,231                          | 42,448                          | 440,054                          | 1,265,750                         | 1,265,750             |
| Other capital assets less reserves <sup>2</sup>         | 945,362                              | —                    | —                   | *4,148                    | —                         | *3,002                      | 34,106                        | *9,458                         | 32,819                          | 10,936                          | 188,164                          | 622,698                           | 622,698               |
| Accounts and notes payable <sup>1</sup>                 | 1,023,517                            | —                    | *3,011              | —                         | *1,012                    | *13,146                     | 28,943                        | *2,873                         | 11,101                          | 16,799                          | 203,044                          | 743,588                           | 743,588               |
| Other current liabilities                               | 755,031                              | —                    | *490                | *2,448                    | *672                      | *4,348                      | 16,865                        | *14,834                        | 18,397                          | 8,970                           | 166,765                          | 521,242                           | 521,242               |
| Mortgages, notes, and bonds payable in one year or more | 2,193,019                            | —                    | *3,842              | —                         | *1,211                    | *26,131                     | *9,673                        | *806                           | 12,810                          | 66,430                          | 214,242                          | 1,858,964                         | 1,858,964             |
| Net worth   | 6,044,395                            | —                    | *3,595              | *5,168                    | *986                      | *260                        | 61,362                        | *66,295                        | 85,816                          | 32,943                          | 839,229                          | 4,948,741                         | 4,948,741             |
| Cost of property used for investment credit             | 367,103                              | *1,957               | —                   | —                         | *110                      | *445                        | *2,186                        | *2,251                         | 3,559                           | 40,662                          | 51,810                           | 264,123                           | 264,123               |
| Total receipts  | 5,354,832                            | *50,371              | *3,024              | *1,632                    | *1,474                    | *1,335                      | 89,319                        | *45,607                        | 84,660                          | 74,762                          | 937,887                          | 4,064,761                         | 4,064,761             |
| Business receipts                                       | 5,100,747                            | *48,999              | *3,024              | *1,632                    | *1,474                    | *1,701                      | 85,578                        | *41,858                        | 78,100                          | 71,360                          | 899,746                          | 3,868,806                         | 3,868,806             |
| Cost of sales and operations                            | 3,743,427                            | *38,191              | *288                | *14                       | *2,514                    | *34                         | 58,881                        | *29,967                        | 43,817                          | 51,436                          | 600,180                          | 2,918,119                         | 2,918,119             |
| Taxes paid  | 257,028                              | *1,706               | *288                | *14                       | *287                      | *198                        | 3,817                         | *2,479                         | 1,724                           | 1,482                           | 29,454                           | 215,593                           | 215,593               |
| Interest paid   | 189,220                              | *1,027               | *14                 | *204                      | *83                       | *1,066                      | 1,951                         | *391                           | 1,155                           | 4,008                           | 24,883                           | 154,452                           | 154,452               |
| Depreciation  | 296,107                              | *2,469               | *14                 | *14                       | *47                       | *47                         | 2,409                         | *2,887                         | 3,493                           | 8,086                           | 51,531                           | 225,185                           | 225,185               |
| Pension, profit-sharing, stock bonus, and annuity plans | 77,352                               | *469                 | —                   | —                         | —                         | *204                        | —                             | *140                           | 443                             | —                               | 15,243                           | 60,761                            | 60,761                |
| Employee benefit programs                               | 16,542                               | *38                  | —                   | —                         | —                         | *51                         | —                             | *146                           | 648                             | 118                             | 12,307                           | 12,307                            | 12,307                |
| Net income (less deficit)                               | 43,164                               | 397                  | *—144               | *884                      | *—3,846                   | *—5,534                     | —4,045                        | *—4,395                        | 7,985                           | 357                             | 8,860                            | 42,645                            | 42,645                |
| Net income  | 189,911                              | *878                 | —                   | *884                      | —                         | —                           | —                             | *5,127                         | 9,731                           | 2,622                           | 60,754                           | 106,604                           | 106,604               |
| Income subject to tax                                   | 148,412                              | —                    | —                   | —                         | —                         | —                           | —                             | *4,374                         | 7,072                           | 1,466                           | 51,868                           | 81,916                            | 81,916                |
| Income tax, total                                       | 72,722                               | *152                 | —                   | —                         | —                         | —                           | —                             | *2,292                         | *810                            | 369                             | 26,329                           | 38,710                            | 38,710                |
| Additional tax for tax preferences                      | 6,879                                | *152                 | —                   | —                         | —                         | —                           | —                             | *269                           | 385                             | 48                              | 1,620                            | 4,405                             | 4,405                 |
| Foreign tax credit                                      | 18,896                               | —                    | —                   | —                         | —                         | —                           | *714                          | —                              | 1,482                           | 271                             | 10,384                           | 6,045                             | 6,045                 |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 10,942                               | —                    | —                   | —                         | —                         | —                           | *7                            | *6                             | 165                             | —                               | 4,112                            | 6,652                             | 6,652                 |
| Work incentive (WIN) credit                             | 8                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | 8                                 | 8                     |
| Distributions to stockholders except in own stock       | 118,703                              | —                    | —                   | —                         | —                         | *845                        | *5,672                        | *1,200                         | 4,220                           | —                               | 17,471                           | 89,295                            | 89,295                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Mining: Coal Mining                                     |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 2,344                                | *19                  | *310                | *371                      | 496                       | 477                         | 458                           | 97                             | 61                              | 19                              | 21                               | 11                                | 4                     |
| Total assets  | 10,641,537                           | —                    | *11,970             | *63,365                   | 176,760                   | 326,188                     | 950,287                       | 712,629                        | 946,788                         | 651,431                         | 1,477,453                        | 1,711,896                         | 3,612,770             |
| Notes and accounts receivable, net                      | 1,677,731                            | —                    | *671                | *16,691                   | 15,372                    | 36,213                      | 126,283                       | 95,040                         | 161,916                         | 91,714                          | 226,019                          | 242,282                           | 665,530               |
| Inventories   | 519,536                              | —                    | —                   | —                         | *1,104                    | *1,998                      | 22,432                        | 25,859                         | 42,394                          | 22,668                          | 76,166                           | 86,479                            | 240,436               |
| Cash, Government obligations, and other current assets  | 1,492,605                            | —                    | *3,221              | *16,339                   | 38,711                    | 56,003                      | 194,384                       | 99,077                         | 212,838                         | 98,744                          | 238,558                          | 167,691                           | 367,039               |
| Other investments and loans <sup>1</sup>                | 1,360,291                            | —                    | —                   | *3,315                    | *260                      | 17,657                      | 88,244                        | 107,882                        | 81,660                          | 69,620                          | 183,073                          | 248,011                           | 560,569               |
| Depreciable assets                                      | 7,010,146                            | —                    | —                   | *9,206                    | *40,334                   | 202,942                     | 338,927                       | 801,221                        | 521,776                         | 646,013                         | 397,564                          | 717,477                           | 1,149,251             |
| Less: Accumulated depreciation                          | 2,706,161                            | —                    | —                   | *1,620                    | *14,249                   | 88,969                      | 138,207                       | 341,300                        | 232,107                         | 308,814                         | 181,043                          | 287,320                           | 728,406               |
| Other capital assets less reserves <sup>2</sup>         | 928,226                              | —                    | —                   | *877                      | 5,081                     | 11,492                      | 40,869                        | 84,480                         | 86,877                          | 77,236                          | 208,048                          | 150,977                           | 262,289               |
| Accounts and notes payable <sup>3</sup>                 | 1,946,459                            | —                    | *12,577             | *27,538                   | 67,968                    | 125,430                     | 304,312                       | 121,479                        | 189,442                         | 112,831                         | 188,806                          | 182,692                           | 613,384               |
| Other current liabilities                               | 1,057,277                            | —                    | *13,123             | *2,148                    | 7,856                     | 19,883                      | 72,397                        | 44,594                         | 82,700                          | 96,293                          | 104,755                          | 122,818                           | 500,710               |
| Mortgages, notes, and bonds payable in one year or more | 1,774,468                            | —                    | *18,331             | *13,369                   | 43,787                    | 70,988                      | 178,158                       | 190,221                        | 140,774                         | 134,082                         | 309,385                          | 338,051                           | 337,322               |
| Net worth   | 5,202,235                            | —                    | *29,501             | *—728                     | 52,118                    | 83,408                      | 332,486                       | 301,237                        | 472,565                         | 249,889                         | 774,644                          | 962,448                           | 2,003,665             |
| Cost of property used for investment credit             | 1,259,119                            | *12,971              | *5,419              | *18,821                   | 47,798                    | 56,456                      | 184,311                       | 89,520                         | 117,434                         | 47,800                          | 173,526                          | 187,621                           | 317,442               |
| Total receipts  | 11,792,378                           | *139,279             | *99,149             | *245,096                  | 317,279                   | 446,436                     | 1,262,412                     | 826,870                        | 1,150,326                       | 736,156                         | 1,378,564                        | 1,590,219                         | 3,600,592             |
| Business receipts                                       | 11,378,056                           | *129,839             | *89,097             | *244,198                  | 312,880                   | 433,735                     | 1,218,561                     | 795,793                        | 1,108,731                       | 712,697                         | 1,309,162                        | 1,534,902                         | 3,488,461             |
| Cost of sales and operations                            | 7,312,141                            | *95,918              | *53,507             | *183,069                  | 173,047                   | 207,318                     | 753,299                       | 515,106                        | 733,952                         | 425,163                         | 885,000                          | 1,064,183                         | 2,222,579             |
| Taxes paid  | 481,126                              | *3,335               | *2,872              | *2,496                    | 11,464                    | 20,164                      | 39,389                        | 28,331                         | 41,296                          | 29,561                          | 47,225                           | 49,500                            | 205,493               |
| Interest paid   | 240,693                              | *1,289               | *3,344              | *1,826                    | 4,802                     | 23,380                      | 31,516                        | 15,146                         | 20,231                          | 13,415                          | 37,597                           | 29,018                            | 59,129                |
| Depreciation  | 737,195                              | *6,962               | *3,695              | *5,324                    | 36,188                    | 51,872                      | 128,096                       | 61,241                         | 74,413                          | 34,430                          | 82,749                           | 81,921                            | 170,304               |
| Pension, profit—sharing, stock bonus, and annuity plans | 72,784                               | *427                 | *297                | —                         | *495                      | *236                        | 4,996                         | 5,080                          | 5,105                           | 7,144                           | 7,648                            | 14,102                            | 27,254                |
| Employee benefit programs                               | 168,862                              | *9,857               | *122                | *134                      | *401                      | 1,981                       | 7,688                         | 7,823                          | 11,865                          | 9,620                           | 27,170                           | 20,913                            | 71,288                |
| Net income (less deficit)                               | 860,528                              | *5,253               | *—24,790            | *520                      | 8,491                     | —1,339                      | 36,032                        | 7,306                          | 86,694                          | 109,273                         | 81,747                           | 96,885                            | 454,456               |
| Net income  | 1,137,799                            | *9,379               | *6,265              | *10,486                   | 22,876                    | 46,096                      | 101,617                       | 57,416                         | 101,595                         | 112,810                         | 100,847                          | 100,166                           | 448,694               |
| Income subject to tax                                   | 1,012,992                            | *7,257               | *864                | *1,798                    | *16,133                   | 24,396                      | 66,377                        | 47,779                         | 93,123                          | 105,558                         | 100,847                          | 100,166                           | 448,694               |
| Income tax, total                                       | 485,634                              | *3,913               | *204                | *373                      | *5,881                    | 9,840                       | 31,438                        | 23,169                         | 43,933                          | 52,024                          | 49,893                           | 47,058                            | 217,908               |
| Additional tax for tax preferences                      | 13,877                               | *378                 | —                   | —                         | —                         | 52                          | 878                           | 827                            | 1,428                           | 1,551                           | 2,428                            | 2,065                             | 4,270                 |
| Foreign tax credit                                      | 114,861                              | *2                   | —                   | —                         | —                         | —                           | —                             | —                              | ( <sup>1</sup> )                | ( <sup>1</sup> )                | 942                              | 1,276                             | 112,641               |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 74,241                               | *416                 | *192                | *316                      | *691                      | 1,484                       | 5,783                         | 4,092                          | 5,330                           | 4,255                           | 6,905                            | 11,331                            | 33,446                |
| Work incentive (WIN) credit                             | 29                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 1                               | 5                               | —                                | 13                                | 10                    |
| Distributions to stockholders except in own stock       | 334,308                              | *13,217              | —                   | *2,902                    | *4,322                    | *7,383                      | 57,763                        | 9,556                          | 23,479                          | 67,406                          | 27,093                           | 30,089                            | 91,098                |
| Mining: Oil and Gas Extraction                          |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 8,975                                | 375                  | 3,897               | 1,306                     | 1,232                     | 889                         | 872                           | 155                            | 131                             | 46                              | 27                               | 21                                | 24                    |
| Total assets  | 49,084,671                           | —                    | 126,584             | 206,306                   | 452,814                   | 626,672                     | 1,791,362                     | 1,131,936                      | 2,067,218                       | 1,649,921                       | 2,025,506                        | 3,178,819                         | 35,827,533            |
| Notes and accounts receivable, net                      | 12,678,897                           | —                    | 26,809              | 12,166                    | 97,686                    | 128,814                     | 375,601                       | 223,710                        | 303,529                         | 263,693                         | 282,879                          | 441,719                           | 10,523,291            |
| Inventories   | 1,702,059                            | —                    | *210                | *5,862                    | 13,993                    | 13,039                      | 82,743                        | 41,642                         | 71,840                          | 49,138                          | 38,477                           | 95,735                            | 1,289,380             |
| Cash, Government obligations, and other current assets  | 3,532,435                            | —                    | 22,835              | 38,879                    | 89,490                    | 119,829                     | 255,119                       | 167,745                        | 302,239                         | 199,759                         | 188,011                          | 219,691                           | 1,928,838             |
| Other investments and loans <sup>1</sup>                | 11,576,908                           | —                    | 18,844              | 33,903                    | 67,749                    | 54,499                      | 209,757                       | 123,170                        | 365,392                         | 247,122                         | 388,662                          | 498,325                           | 9,569,285             |
| Depreciable assets                                      | 20,846,028                           | —                    | 78,418              | 113,342                   | 280,212                   | 380,186                     | 968,750                       | 589,314                        | 936,308                         | 747,505                         | 893,092                          | 1,688,641                         | 14,170,160            |
| Less: Accumulated depreciation                          | 6,768,938                            | —                    | 32,545              | 37,094                    | 143,312                   | 172,946                     | 424,544                       | 298,300                        | 399,480                         | 273,409                         | 245,590                          | 520,173                           | 4,221,545             |
| Other capital assets less reserves <sup>2</sup>         | 4,493,146                            | —                    | *10,719             | 19,429                    | 40,046                    | 85,850                      | 260,319                       | 246,858                        | 434,260                         | 359,955                         | 429,914                          | 727,446                           | 1,878,350             |
| Accounts and notes payable <sup>3</sup>                 | 6,219,182                            | —                    | 30,201              | 90,057                    | 157,090                   | 212,353                     | 536,810                       | 294,272                        | 360,920                         | 332,637                         | 301,210                          | 237,298                           | 3,666,334             |
| Other current liabilities                               | 9,484,466                            | —                    | *9,830              | 14,271                    | 28,507                    | 31,332                      | 109,248                       | 90,255                         | 132,238                         | 162,517                         | 153,599                          | 335,704                           | 8,416,965             |
| Mortgages, notes, and bonds payable in one year or more | 7,056,902                            | —                    | 21,912              | *10,792                   | 92,290                    | 82,384                      | 299,766                       | 205,516                        | 460,960                         | 257,019                         | 615,836                          | 969,496                           | 4,040,931             |
| Net worth   | 23,134,002                           | —                    | 28,928              | 69,128                    | 135,567                   | —728                        | 708,853                       | 457,042                        | 859,447                         | 768,068                         | 740,778                          | 1,245,740                         | 18,121,179            |
| Cost of property used for investment credit             | 2,073,324                            | 17,889               | 5,003               | 42,747                    | 67,619                    | 73,397                      | 237,733                       | 113,064                        | 136,859                         | 119,308                         | 137,995                          | 294,901                           | 826,809               |
| Total receipts  | 61,292,158                           | 200,236              | 191,094             | 347,582                   | 668,739                   | 643,816                     | 2,034,761                     | 878,999                        | 1,427,986                       | 1,112,562                       | 764,080                          | 1,621,688                         | 51,400,605            |
| Business receipts                                       | 59,422,417                           | 157,270              | 164,628             | 330,620                   | 617,105                   | 600,981                     | 1,878,095                     | 807,881                        | 1,267,903                       | 998,442                         | 658,479                          | 1,387,086                         | 50,553,927            |
| Cost of sales and operations                            | 24,478,140                           | 86,175               | 76,715              | 182,166                   | 376,977                   | 322,866                     | 1,234,754                     | 500,843                        | 725,320                         | 582,310                         | 374,392                          | 652,340                           | 19,363,282            |
| Taxes paid  | 468,351                              | 4,525                | 5,318               | 8,476                     | 18,887                    | 24,509                      | 51,999                        | 23,842                         | 31,867                          | 19,365                          | 16,211                           | 40,556                            | 222,996               |
| Interest paid   | 670,232                              | 5,827                | 1,522               | 2,339                     | 8,101                     | 14,347                      | 40,625                        | 21,397                         | 47,512                          | 30,581                          | 45,735                           | 83,756                            | 368,490               |
| Depreciation  | 1,141,777                            | 15,792               | 9,055               | 14,637                    | 33,835                    | 44,726                      | 121,837                       | 58,117                         | 80,952                          | 63,214                          | 44,384                           | 147,889                           | 507,339               |
| Pension, profit—sharing, stock bonus, and annuity plans | 137,142                              | *1,816               | *41                 | *871                      | *1,655                    | *1,941                      | 11,714                        | 2,779                          | 5,408                           | 4,118                           | 3,085                            | 9,504                             | 94,210                |
| Employee benefit programs                               | 54,885                               | *586                 | ( <sup>1</sup> )    | *538                      | *836                      | *470                        | 3,892                         | 2,692                          | 2,867                           | 649                             | 1,611                            | 11,783                            | 28,961                |
| Net income (less deficit)                               | 28,842,384                           | 34,114               | *—7,452             | 13,038                    | 15,439                    | 16,398                      | 120,349                       | 36,148                         | 179,475                         | 180,606                         | 39,451                           | 364,663                           | 27,850,155            |
| Net income  | 29,279,566                           | 42,201               | 15,235              | 35,387                    | 51,275                    | 55,627                      | 195,486                       | 71,644                         | 217,399                         | 200,925                         | 79,797                           | 402,110                           | 27,912,480            |
| Income subject to tax                                   | 28,935,560                           | 40,703               | *11,240             | 16,931                    | 35,087                    | 37,129                      | 149,328                       | 60,005                         | 182,023                         | 171,396                         | 65,163                           | 388,945                           | 27,777,610            |
| Income tax, total                                       | 13,855,882                           | 20,298               | *2,230              | 3,517                     | 11,649                    | 14,025                      | 65,723                        | 29,194                         | 86,555                          | 82,101                          | 29,710                           | 172,893                           | 13,337,987            |
| Additional tax for tax preferences                      | 25,259                               | *13                  | —                   | ( <sup>1</sup> )          | *489                      | 751                         | 1,227                         | 2,305                          | 2,680                           | 1,749                           | 561                              | 3,245                             | 12,239                |
| Foreign tax credit                                      | 13,192,009                           | *21                  | —                   | —                         | —                         | —                           | *3,519                        | *3                             | 19,321                          | 37,790                          | 5,088                            | 103,935                           | 13,022,332            |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 98,101                               | *807                 | *98                 | 1,837                     | 1,921                     | 2,167                       | 11,350                        | 4,966                          | 8,267                           | 4,514                           | 6,394                            | 7,926                             | 47,854                |
| Work incentive (WIN) credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 3,503,398                            | *2,186               | *5,479              | *12,519                   | *7,512                    | 13,405                      | 23,624                        | 7,375                          | 31,039                          | 41,462                          | 8,714                            | 22,142                            | 3,327,941             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Mining: Nonmetallic Minerals, Except Fuels              |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 3,317                                | *39                  | *630                | 824                       | 735                       | 514                         | 438                           | 80                             | 38                              | 9                               | 6                                |                                   | 4                     |
| Total assets  | 6,494,775                            | —                    | *24,048             | 148,828                   | 268,794                   | 366,978                     | 868,552                       | 531,853                        | 586,477                         | 346,536                         | 567,063                          |                                   | 2,785,646             |
| Notes and accounts receivable, net                      | 927,430                              | —                    | *682                | 32,064                    | 38,129                    | 83,366                      | 138,629                       | 112,653                        | 96,244                          | 61,160                          | 101,892                          |                                   | 262,611               |
| Inventories   | 764,837                              | —                    | —                   | *12,952                   | *34,033                   | 32,663                      | 65,827                        | 46,178                         | 58,118                          | 33,475                          | 57,184                           |                                   | 424,407               |
| Cash, Government obligations, and other current assets  | 663,429                              | —                    | *3,394              | 14,019                    | 60,660                    | 56,091                      | 136,403                       | 65,915                         | 78,480                          | 23,908                          | 69,862                           |                                   | 154,697               |
| Other investments and loans <sup>1</sup>                | 538,979                              | —                    | *5,172              | *21,789                   | 19,030                    | 18,405                      | 61,236                        | 36,146                         | 39,734                          | 18,719                          | 48,594                           |                                   | 270,154               |
| Depreciable assets                                      | 5,315,010                            | —                    | *28,299             | 168,345                   | 231,142                   | 362,341                     | 883,805                       | 453,248                        | 479,195                         | 299,063                         | 472,022                          |                                   | 1,937,550             |
| Less: Accumulated depreciation                          | 2,653,162                            | —                    | *15,571             | 117,673                   | 138,067                   | 222,356                     | 574,419                       | 248,846                        | 279,093                         | 149,997                         | 253,509                          |                                   | 680,631               |
| Other capital assets less reserves <sup>2</sup>         | 808,553                              | —                    | *1,857              | *17,128                   | 12,577                    | 33,044                      | 122,031                       | 58,205                         | 102,275                         | 44,194                          | 70,283                           |                                   | 346,959               |
| Accounts and notes payable <sup>3</sup>                 | 760,101                              | —                    | *3,980              | 26,134                    | 42,475                    | 67,511                      | 148,951                       | 94,295                         | 82,949                          | 48,776                          | 74,547                           |                                   | 170,483               |
| Other current liabilities                               | 331,033                              | —                    | *432                | 3,829                     | 10,078                    | 25,102                      | 39,494                        | 33,624                         | 48,191                          | 22,275                          | 33,200                           |                                   | 114,808               |
| Mortgages, notes, and bonds payable in one year or more | 1,275,101                            | —                    | *3,201              | *22,874                   | *33,935                   | 53,318                      | 118,397                       | 104,070                        | 108,834                         | 67,376                          | 73,108                           |                                   | 689,988               |
| Net worth   | 3,577,561                            | —                    | *20,022             | 82,533                    | 166,572                   | 206,499                     | 519,594                       | 294,148                        | 310,567                         | 198,651                         | 371,707                          |                                   | 1,447,312             |
| Cost of property used for investment credit             | 541,856                              | *1,032               | *3,090              | *12,162                   | 27,039                    | 32,528                      | 81,966                        | 41,059                         | 40,813                          | 19,185                          | 53,251                           |                                   | 229,731               |
| Total receipts  | 5,889,641                            | *14,703              | *28,834             | 263,418                   | 302,064                   | 420,254                     | 1,011,933                     | 689,331                        | 609,159                         | 307,083                         | 615,873                          |                                   | 1,626,989             |
| Business receipts                                       | 5,680,106                            | *13,495              | *27,570             | 254,275                   | 292,630                   | 404,245                     | 979,064                       | 666,979                        | 585,666                         | 293,858                         | 599,905                          |                                   | 1,562,419             |
| Cost of sales and operations                            | 3,576,922                            | *9,318               | *19,490             | 178,056                   | 185,088                   | 237,226                     | 623,824                       | 475,870                        | 421,910                         | 188,923                         | 354,031                          |                                   | 883,186               |
| Taxes paid  | 178,791                              | *544                 | *1,694              | 8,335                     | 11,154                    | 15,921                      | 32,691                        | 19,365                         | 18,189                          | 10,859                          | 20,126                           |                                   | 39,913                |
| Interest paid   | 134,695                              | *590                 | *300                | 1,955                     | 3,651                     | 7,077                       | 17,662                        | 11,248                         | 12,587                          | 5,524                           | 7,443                            |                                   | 66,658                |
| Depreciation  | 373,843                              | *2,163               | *2,936              | 11,934                    | 23,013                    | 27,043                      | 70,282                        | 33,686                         | 34,063                          | 15,236                          | 35,528                           |                                   | 117,959               |
| Pension, profit—sharing, stock bonus, and annuity plans | 48,152                               | *36                  | —                   | *136                      | *804                      | 3,275                       | 9,306                         | 4,269                          | 5,365                           | 3,259                           | 10,765                           |                                   | 10,937                |
| Employee benefit programs                               | 36,521                               | *55                  | *25                 | *476                      | *2,002                    | 3,169                       | 5,389                         | 2,440                          | 3,761                           | 1,233                           | 6,918                            |                                   | 11,053                |
| Net income (less deficit)                               | 278,630                              | *79                  | *5,935              | 11,141                    | —8,803                    | 19,352                      | 56,845                        | 24,290                         | 17,258                          | 15,780                          | 42,156                           |                                   | 104,625               |
| Net income  | 347,837                              | *1,509               | ( <sup>1</sup> )    | *15,200                   | 12,228                    | 26,852                      | 68,158                        | 32,235                         | 27,492                          | 17,382                          | 42,156                           |                                   | 104,625               |
| Income subject to tax                                   | 292,050                              | *1,483               | ( <sup>1</sup> )    | *2,530                    | 12,097                    | 12,009                      | 61,388                        | 28,493                         | 25,866                          | 16,546                          | 37,884                           |                                   | 93,754                |
| Income tax, total                                       | 135,371                              | *550                 | ( <sup>1</sup> )    | *504                      | 2,857                     | 3,502                       | 26,585                        | 13,144                         | 12,446                          | 8,272                           | 18,493                           |                                   | 49,018                |
| Additional tax for tax preferences                      | 8,390                                | —                    | —                   | ( <sup>1</sup> )          | *13                       | *24                         | 683                           | 437                            | 436                             | 707                             | 797                              |                                   | 5,293                 |
| Foreign tax credit                                      | 22,852                               | —                    | —                   | —                         | —                         | —                           | *44                           | *210                           | ( <sup>1</sup> )                | 121                             | 1,357                            |                                   | 21,120                |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                |                                   | —                     |
| Investment credit                                       | 31,967                               | *96                  | —                   | *242                      | 1,809                     | 1,480                       | 5,716                         | 2,490                          | 2,612                           | 2,474                           | 3,747                            |                                   | 11,301                |
| Work incentive (WIN) credit                             | 4                                    | —                    | —                   | —                         | ( <sup>1</sup> )          | —                           | —                             | *3                             | —                               | 1                               | —                                |                                   | —                     |
| Distributions to stockholders except in own stock       | 131,914                              | —                    | —                   | *4,627                    | *1,111                    | 5,144                       | 15,910                        | 7,984                          | 5,059                           | 3,969                           | 8,697                            |                                   | 79,413                |
| Total Construction                                      |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 195,933                              | 5,702                | 108,467             | 38,458                    | 18,907                    | 12,504                      | 10,092                        | 1,121                          | 462                             | 130                             | 46                               | 26                                | 18                    |
| Total assets  | 80,759,509                           | —                    | 3,678,878           | 6,269,437                 | 6,580,270                 | 8,680,091                   | 20,029,352                    | 7,626,202                      | 7,030,491                       | 4,451,869                       | 3,162,055                        | 3,888,968                         | 9,361,896             |
| Notes and accounts receivable, net                      | 21,074,002                           | —                    | 896,911             | 1,750,934                 | 1,909,603                 | 2,515,894                   | 5,625,922                     | 1,983,615                      | 1,845,406                       | 939,121                         | 575,287                          | 1,176,970                         | 1,854,539             |
| Inventories   | 13,630,508                           | —                    | 437,943             | 987,798                   | 1,303,110                 | 1,729,944                   | 3,583,342                     | 1,500,480                      | 1,269,793                       | 1,009,901                       | 463,336                          | 393,464                           | 951,397               |
| Cash, Government obligations, and other current assets  | 16,827,889                           | —                    | 759,039             | 1,231,959                 | 1,369,040                 | 1,753,780                   | 4,272,969                     | 1,712,060                      | 1,447,317                       | 1,009,288                       | 644,867                          | 991,205                           | 1,636,365             |
| Other investments and loans <sup>1</sup>                | 7,700,412                            | —                    | 280,069             | 424,589                   | 352,255                   | 538,834                     | 1,596,943                     | 545,349                        | 671,884                         | 430,557                         | 512,313                          | 504,387                           | 1,843,232             |
| Depreciable assets                                      | 30,068,672                           | —                    | 2,317,070           | 2,808,742                 | 2,596,592                 | 3,433,782                   | 7,096,462                     | 2,420,133                      | 2,456,135                       | 1,196,918                       | 1,026,771                        | 1,081,546                         | 3,634,521             |
| Less: Accumulated depreciation                          | 15,079,441                           | —                    | 1,255,241           | 1,472,163                 | 1,352,332                 | 1,826,494                   | 3,865,625                     | 1,279,879                      | 1,260,324                       | 586,750                         | 387,168                          | 531,304                           | 1,262,161             |
| Other capital assets less reserves <sup>2</sup>         | 3,850,076                            | —                    | 156,589             | 363,207                   | 300,319                   | 401,657                     | 854,322                       | 391,548                        | 296,031                         | 271,640                         | 178,449                          | 180,165                           | 456,149               |
| Accounts and notes payable <sup>3</sup>                 | 26,975,904                           | —                    | 1,439,143           | 2,291,260                 | 2,670,163                 | 3,479,795                   | 7,565,595                     | 2,656,233                      | 2,211,615                       | 1,265,046                       | 698,860                          | 1,009,996                         | 1,688,198             |
| Other current liabilities                               | 10,757,618                           | —                    | 340,368             | 531,527                   | 695,164                   | 906,302                     | 2,491,987                     | 1,040,362                      | 1,129,583                       | 854,323                         | 559,060                          | 652,096                           | 1,556,846             |
| Mortgages, notes, and bonds payable in one year or more | 12,723,657                           | —                    | 570,607             | 832,623                   | 848,848                   | 1,339,368                   | 2,795,227                     | 1,361,006                      | 1,244,302                       | 725,681                         | 668,122                          | 690,447                           | 1,647,426             |
| Net worth   | 20,520,616                           | —                    | 545,045             | 1,737,398                 | 1,903,878                 | 2,241,874                   | 4,852,584                     | 1,562,447                      | 1,368,608                       | 972,162                         | 758,380                          | 1,140,547                         | 3,437,693             |
| Cost of property used for investment credit             | 3,534,227                            | 13,756               | 321,720             | 393,433                   | 360,673                   | 452,629                     | 791,742                       | 257,206                        | 209,777                         | 85,497                          | 75,593                           | 81,922                            | 490,279               |
| Total receipts  | 154,096,876                          | 844,731              | 16,559,869          | 16,738,608                | 15,725,084                | 18,818,013                  | 37,410,692                    | 11,666,026                     | 10,034,679                      | 5,322,390                       | 3,256,220                        | 6,017,699                         | 11,702,865            |
| Business receipts                                       | 150,059,702                          | 802,787              | 16,375,021          | 16,566,601                | 15,471,911                | 18,445,195                  | 36,553,969                    | 11,316,503                     | 9,641,631                       | 5,051,259                       | 3,077,483                        | 5,767,753                         | 10,989,589            |
| Cost of sales and operations                            | 121,668,205                          | 633,494              | 11,932,868          | 12,446,874                | 12,187,710                | 14,823,059                  | 30,384,591                    | 9,691,604                      | 8,422,140                       | 4,386,000                       | 2,659,518                        | 5,056,994                         | 9,043,353             |
| Taxes paid  | 3,237,776                            | 24,618               | 448,088             | 460,488                   | 370,907                   | 433,361                     | 743,448                       | 205,209                        | 164,326                         | 87,207                          | 42,670                           | 64,491                            | 192,963               |
| Interest paid   | 1,867,121                            | 14,975               | 136,122             | 169,425                   | 163,432                   | 211,750                     | 414,703                       | 155,335                        | 143,168                         | 87,309                          | 74,024                           | 82,840                            | 212,963               |
| Depreciation  | 2,867,241                            | 21,437               | 295,366             | 311,647                   | 271,817                   | 348,078                     | 657,611                       | 210,563                        | 195,928                         | 93,440                          | 73,250                           | 75,457                            | 312,647               |
| Pension, profit—sharing, stock bonus, and annuity plans | 786,672                              | 1,633                | 45,228              | 59,344                    | 72,586                    | 109,571                     | 214,124                       | 58,628                         | 48,625                          | 21,230                          | 14,871                           | 30,161                            | 110,671               |
| Employee benefit programs                               | 592,382                              | 2,412                | 56,402              | 79,050                    | 62,001                    | 91,126                      | 146,553                       | 33,828                         | 26,015                          | 11,921                          | 6,521                            | 18,355                            | 58,198                |
| Net income (less deficit)                               | 2,826,234                            | —2,284               | —23,216             | 147,284                   | 175,094                   | 313,502                     | 788,582                       | 316,694                        | 166,676                         | 190,621                         | 61,806                           | 199,260                           | 492,215               |
| Net income  | 5,025,829                            | 62,739               | 453,090             | 518,260                   | 425,105                   | 549,135                     | 1,205,834                     | 419,551                        | 305,452                         | 223,955                         | 106,674                          | 230,581                           | 525,453               |
| Income subject to tax                                   | 3,899,237                            | 34,463               | 204,884             | 331,227                   | 317,333                   | 415,559                     | 983,562                       | 356,616                        | 273,851                         | 190,262                         | 89,635                           | 213,536                           | 488,309               |
| Income tax, total                                       | 1,511,654                            | 13,657               | 44,933              | 75,871                    | 81,234                    | 133,898                     | 406,764                       | 162,550                        | 127,349                         | 89,148                          | 42,170                           | 102,902                           | 231,178               |
| Additional tax for tax preferences                      | 1,866                                | —                    | —                   | —                         | *32                       | —                           | 128                           | *163                           | 312                             | 289                             | 38                               | 447                               | 457                   |
| Foreign tax credit                                      | 97,577                               | —                    | —                   | *204                      | ( <sup>1</sup> )          | —                           | *727                          | *280                           | 1,180                           | 2,517                           | 1,032                            | 32,120                            | 59,517                |
| U.S. possessions tax credit                             | 1,143                                | —                    | 1                   | —                         | 33                        | —                           | 1                             | 1,108                          | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 170,803                              | 349                  | 6,272               | 12,794                    | 15,495                    | 20,266                      | 43,731                        | 14,785                         | 11,184                          | 5,473                           | 5,780                            | 6,348                             | 28,326                |
| Work incentive (WIN) credit                             | 148                                  | —                    | ( <sup>1</sup> )    | —                         | —                         | *52                         | *68                           | *19                            | —                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 514,107                              | *27,087              | 68,508              | 50,736                    | 40,709                    | 35,353                      | 62,305                        | 33,108                         | 21,818                          | 18,007                          | 12,623                           | 27,967                            | 115,886               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Construction: General Building Contractors and Operative Builders |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 78,115                               | 1,950                | 40,991              | 14,891                    | 8,389                     | 5,742                       | 5,118                         | 658                            | 237                             | 85                              | 31                               | 14                                | 9                     |
| Total assets  | 41,272,832                           | —                    | 1,335,605           | 2,459,817                 | 2,897,433                 | 3,991,683                   | 10,453,682                    | 4,526,017                      | 3,663,052                       | 2,940,389                       | 2,135,854                        | 2,008,172                         | 4,861,128             |
| Notes and accounts receivable, net                                | 8,935,833                            | —                    | 268,862             | 467,757                   | 608,298                   | 877,934                     | 2,382,316                     | 1,050,147                      | 869,725                         | 580,144                         | 351,182                          | 578,492                           | 900,976               |
| Inventories   | 9,255,483                            | —                    | 232,253             | 555,404                   | 841,959                   | 1,261,445                   | 2,494,502                     | 1,067,903                      | 752,106                         | 766,870                         | 340,109                          | 159,995                           | 782,937               |
| Cash, Government obligations, and other current assets            | 8,917,907                            | —                    | 283,949             | 569,973                   | 693,939                   | 832,376                     | 2,144,894                     | 989,581                        | 774,896                         | 682,122                         | 416,166                          | 524,955                           | 1,005,056             |
| Other investments and loans <sup>1</sup>                          | 3,973,389                            | —                    | 125,410             | 178,156                   | 160,267                   | 238,986                     | 999,014                       | 338,977                        | 378,907                         | 295,085                         | 392,921                          | 266,445                           | 599,221               |
| Depreciable assets  | 9,815,751                            | —                    | 601,653             | 622,523                   | 660,264                   | 785,441                     | 2,126,180                     | 880,146                        | 812,360                         | 574,102                         | 557,134                          | 509,714                           | 1,666,234             |
| Less: Accumulated depreciation                                    | 3,952,567                            | —                    | 297,696             | 276,197                   | 309,338                   | 334,247                     | 910,295                       | 346,565                        | 304,954                         | 240,663                         | 169,813                          | 221,290                           | 541,509               |
| Other capital assets less reserves <sup>2</sup>                   | 2,685,786                            | —                    | 88,148              | 247,312                   | 190,919                   | 264,109                     | 584,675                       | 303,680                        | 194,188                         | 181,822                         | 126,547                          | 159,793                           | 344,593               |
| Accounts and notes payable <sup>1</sup>                           | 15,451,932                           | —                    | 557,736             | 1,082,263                 | 1,432,962                 | 1,858,910                   | 4,508,427                     | 1,718,892                      | 1,320,508                       | 892,631                         | 485,732                          | 540,509                           | 1,053,362             |
| Other current liabilities   | 5,394,533                            | —                    | 108,610             | 232,677                   | 329,631                   | 401,727                     | 1,280,006                     | 570,970                        | 480,534                         | 541,154                         | 288,847                          | 310,046                           | 850,331               |
| Mortgages, notes, and bonds payable in one year or more           | 7,673,035                            | —                    | 235,642             | 338,234                   | 375,336                   | 675,982                     | 1,701,204                     | 1,007,583                      | 812,491                         | 555,314                         | 546,520                          | 427,921                           | 996,808               |
| Net worth   | 7,130,200                            | —                    | 141,528             | 294,728                   | 502,503                   | 681,223                     | 1,626,733                     | 590,554                        | 438,676                         | 558,041                         | 460,894                          | 553,408                           | 1,281,912             |
| Cost of property used for investment credit                       | 978,787                              | 4,974                | 94,419              | 83,212                    | 83,781                    | 91,784                      | 172,695                       | 67,174                         | 40,614                          | 32,302                          | 36,159                           | 35,059                            | 236,614               |
| Total receipts  | 67,553,390                           | 431,373              | 6,506,524           | 5,636,288                 | 6,660,815                 | 7,726,166                   | 16,928,978                    | 5,888,071                      | 4,802,672                       | 3,008,918                       | 2,076,827                        | 2,662,098                         | 5,224,660             |
| Business receipts   | 65,489,371                           | 421,003              | 6,441,256           | 5,578,402                 | 6,568,269                 | 7,550,927                   | 16,454,073                    | 5,679,933                      | 4,609,534                       | 2,827,792                       | 1,949,624                        | 2,494,068                         | 4,914,490             |
| Cost of sales and operations                                      | 56,835,230                           | 375,872              | 5,225,175           | 4,627,730                 | 5,654,828                 | 6,582,561                   | 14,428,078                    | 5,022,380                      | 4,173,078                       | 2,490,493                       | 1,708,718                        | 2,264,918                         | 4,283,399             |
| Taxes paid  | 995,524                              | 8,015                | 108,998             | 98,722                    | 89,198                    | 111,560                     | 237,011                       | 84,992                         | 57,332                          | 44,343                          | 28,904                           | 36,945                            | 91,504                |
| Interest paid   | 1,075,634                            | 10,064               | 60,639              | 82,473                    | 83,383                    | 101,040                     | 236,382                       | 105,722                        | 87,881                          | 63,374                          | 57,316                           | 51,587                            | 135,773               |
| Depreciation  | 807,423                              | 5,488                | 72,137              | 62,952                    | 62,746                    | 68,990                      | 170,028                       | 66,277                         | 54,146                          | 43,376                          | 35,904                           | 35,225                            | 130,154               |
| Pension, profit-sharing, stock bonus, and annuity plans           | 224,055                              | *289                 | 9,768               | 13,030                    | 16,122                    | 27,610                      | 68,181                        | 23,304                         | 17,877                          | 10,765                          | 7,810                            | 11,847                            | 17,452                |
| Employee benefit programs   | 136,180                              | 1,301                | 6,275               | 14,388                    | 15,455                    | 22,211                      | 33,875                        | 11,279                         | 4,660                           | 5,645                           | 4,009                            | 8,123                             | 9,959                 |
| Net income (less deficit)   | 770,808                              | -21,519              | -9,718              | -32,169                   | 53,030                    | 83,407                      | 249,153                       | 117,744                        | 55,218                          | 92,308                          | 27,073                           | 19,986                            | 136,295               |
| Net income  | 1,810,015                            | 24,558               | 158,051             | 135,247                   | 156,532                   | 195,521                     | 439,009                       | 180,459                        | 126,276                         | 114,688                         | 61,872                           | 48,269                            | 169,533               |
| Income subject to tax   | 1,362,894                            | 5,054                | 62,125              | 84,264                    | 111,153                   | 129,374                     | 349,602                       | 146,563                        | 111,104                         | 95,683                          | 51,782                           | 48,199                            | 167,991               |
| Income tax, total   | 525,666                              | 1,889                | 13,529              | 18,534                    | 28,011                    | 37,630                      | 138,898                       | 65,444                         | 51,482                          | 44,172                          | 24,561                           | 23,585                            | 77,931                |
| Additional tax for tax preferences                                | 1,293                                | —                    | —                   | —                         | —                         | —                           | *28                           | *163                           | 100                             | 240                             | 38                               | 447                               | 277                   |
| Foreign tax credit  | 29,310                               | —                    | —                   | *204                      | —                         | —                           | *663                          | *2                             | 34                              | 80                              | 216                              | 1,687                             | 26,424                |
| U.S. possessions tax credit                                       | 34                                   | —                    | —                   | —                         | 33                        | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 38,132                               | *16                  | 1,265               | 3,292                     | 3,405                     | 3,251                       | 9,267                         | 3,806                          | 2,610                           | 1,576                           | 2,069                            | 1,727                             | 5,848                 |
| Work incentive (WIN) credit                                       | *20                                  | —                    | —                   | —                         | —                         | —                           | *4                            | *15                            | ( <sup>1</sup> )                | —                               | ( <sup>1</sup> )                 | —                                 | 1                     |
| Distributions to stockholders except in own stock                 | 170,238                              | *13,200              | 15,420              | 6,471                     | 19,211                    | 11,075                      | 20,271                        | 6,761                          | 9,573                           | 10,128                          | 9,489                            | 11,672                            | 36,967                |
| Construction: Heavy Construction Contractors                      |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 16,533                               | 872                  | 6,250               | 3,550                     | 1,660                     | 1,880                       | 1,901                         | 234                            | 135                             | 21                              | 21                               | —                                 | 9                     |
| Total assets  | 18,024,977                           | —                    | 249,234             | 624,952                   | 573,250                   | 1,333,140                   | 3,984,449                     | 1,589,465                      | 1,996,474                       | 701,116                         | 2,472,129                        | 4,500,768                         | 4,500,768             |
| Notes and accounts receivable, net                                | 4,654,231                            | —                    | 44,677              | 167,443                   | 163,940                   | 388,675                     | 1,154,653                     | 406,463                        | 548,983                         | 133,347                         | 692,487                          | 953,563                           | 953,563               |
| Inventories   | 1,223,924                            | —                    | *5,695              | 28,242                    | 18,213                    | 49,802                      | 223,841                       | 130,805                        | 213,451                         | 41,882                          | 343,533                          | 168,460                           | 168,460               |
| Cash, Government obligations, and other current assets            | 3,561,256                            | —                    | 38,575              | 98,206                    | 96,687                    | 273,197                     | 966,979                       | 374,169                        | 384,686                         | 137,332                         | 560,116                          | 631,309                           | 631,309               |
| Other investments and loans <sup>1</sup>                          | 2,305,775                            | —                    | 19,114              | 38,626                    | 39,178                    | 59,450                      | 267,537                       | 126,829                        | 177,235                         | 78,078                          | 255,717                          | 1,244,011                         | 1,244,011             |
| Depreciable assets  | 11,818,327                           | —                    | 287,748             | 678,674                   | 573,343                   | 1,267,120                   | 3,096,169                     | 1,185,825                      | 1,337,012                       | 456,904                         | 987,245                          | 1,948,287                         | 1,948,287             |
| Less: Accumulated depreciation                                    | 6,669,716                            | —                    | 157,716             | 422,643                   | 343,461                   | 768,659                     | 1,939,415                     | 761,551                        | 801,975                         | 255,874                         | 497,770                          | 720,652                           | 720,652               |
| Other capital assets less reserves <sup>2</sup>                   | 624,863                              | —                    | 3,572               | 28,477                    | 21,707                    | 37,871                      | 140,567                       | 73,974                         | 70,457                          | 70,322                          | 66,360                           | 111,556                           | 111,556               |
| Accounts and notes payable <sup>1</sup>                           | 4,526,256                            | —                    | 133,385             | 197,712                   | 166,335                   | 463,983                     | 1,224,060                     | 453,455                        | 517,030                         | 132,823                         | 602,637                          | 634,836                           | 634,836               |
| Other current liabilities   | 2,344,024                            | —                    | 16,855              | 27,122                    | 37,566                    | 120,500                     | 389,679                       | 197,659                        | 289,777                         | 107,418                         | 450,933                          | 706,515                           | 706,515               |
| Mortgages, notes, and bonds payable in one year or more           | 2,609,595                            | —                    | 52,851              | 98,518                    | 118,641                   | 201,012                     | 552,181                       | 224,385                        | 316,796                         | 87,850                          | 306,743                          | 650,618                           | 650,618               |
| Net worth   | 6,813,537                            | —                    | -16,911             | 223,255                   | 203,135                   | 486,914                     | 1,438,388                     | 608,328                        | 656,474                         | 267,338                         | 790,835                          | 2,155,781                         | 2,155,781             |
| Cost of property used for investment credit                       | 1,402,490                            | *3,251               | 49,249              | 82,424                    | 85,016                    | 161,114                     | 376,471                       | 132,698                        | 129,932                         | 39,515                          | 79,155                           | 253,665                           | 253,665               |
| Total receipts  | 32,788,962                           | 183,784              | 751,117             | 1,358,948                 | 1,233,747                 | 3,035,080                   | 8,296,621                     | 3,012,842                      | 3,358,249                       | 1,104,737                       | 3,975,632                        | 6,478,205                         | 6,478,205             |
| Business receipts   | 31,606,699                           | 162,562              | 718,588             | 1,332,058                 | 1,203,987                 | 2,968,905                   | 8,095,924                     | 2,920,853                      | 3,220,500                       | 1,044,866                       | 3,863,357                        | 6,075,099                         | 6,075,099             |
| Cost of sales and operations                                      | 25,156,456                           | 106,549              | 425,691             | 906,749                   | 865,837                   | 2,279,976                   | 6,478,947                     | 2,426,036                      | 2,755,145                       | 880,880                         | 3,270,692                        | 4,759,954                         | 4,759,954             |
| Taxes paid  | 668,488                              | 8,025                | 26,448              | 43,076                    | 40,375                    | 75,484                      | 194,836                       | 60,613                         | 61,336                          | 19,389                          | 37,447                           | 101,459                           | 101,459               |
| Interest paid   | 376,758                              | 3,694                | 8,919               | 18,218                    | 17,511                    | 34,044                      | 89,197                        | 32,686                         | 40,373                          | 13,623                          | 40,228                           | 78,265                            | 78,265                |
| Depreciation  | 1,108,569                            | 11,393               | 33,725              | 71,015                    | 58,739                    | 125,415                     | 293,936                       | 107,893                        | 113,032                         | 39,090                          | 72,198                           | 182,493                           | 182,493               |
| Pension, profit-sharing, stock bonus, and annuity plans           | 231,637                              | *474                 | *2,346              | *3,844                    | 5,514                     | 13,918                      | 47,577                        | 16,874                         | 18,748                          | 6,577                           | 22,546                           | 93,219                            | 93,219                |
| Employee benefit programs   | 147,610                              | *97                  | *7,342              | 6,627                     | 3,314                     | 10,069                      | 36,301                        | 10,785                         | 9,598                           | 2,241                           | 11,997                           | 49,239                            | 49,239                |
| Net income (less deficit)   | 1,095,390                            | 9,541                | -24,138             | -17,125                   | 7,767                     | 46,955                      | 251,088                       | 123,337                        | 71,158                          | 64,760                          | 206,127                          | 355,920                           | 355,920               |
| Net income  | 1,477,054                            | *20,766              | 26,448              | 41,059                    | 40,294                    | 96,032                      | 346,222                       | 146,290                        | 118,077                         | 70,825                          | 215,121                          | 355,920                           | 355,920               |
| Income subject to tax   | 1,252,153                            | *15,628              | *9,218              | 25,647                    | 33,976                    | 77,393                      | 284,053                       | 126,851                        | 105,383                         | 61,344                          | 192,342                          | 320,318                           | 320,318               |
| Income tax, total   | 556,893                              | *6,993               | *1,949              | 7,366                     | 9,628                     | 26,438                      | 122,036                       | 59,012                         | 49,188                          | 29,204                          | 91,832                           | 153,247                           | 153,247               |
| Additional tax for tax preferences                                | 485                                  | —                    | —                   | —                         | *32                       | —                           | *12                           | —                              | 212                             | 49                              | —                                | 180                               | 180                   |
| Foreign tax credit  | 64,304                               | —                    | —                   | —                         | —                         | —                           | *4                            | *99                            | 976                             | 29                              | 30,103                           | 33,093                            | 33,093                |
| U.S. possessions tax credit                                       | 1,108                                | —                    | —                   | —                         | —                         | —                           | —                             | 1,108                          | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 86,649                               | *180                 | *1,130              | 1,656                     | 4,253                     | 7,760                       | 22,208                        | 8,484                          | 7,271                           | 3,254                           | 7,975                            | -22,478                           | -22,478               |
| Work incentive (WIN) credit                                       | 57                                   | —                    | —                   | —                         | —                         | —                           | *48                           | *1                             | 4                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock                 | 168,510                              | *682                 | *7,617              | *6,883                    | *10,251                   | 7,974                       | 18,108                        | 11,597                         | 7,519                           | 3,333                           | 15,627                           | 78,919                            | 78,919                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Construction: Special Trade Contractors                 |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 101,285                              | 2,880                | 61,226              | 20,017                    | 8,858                     | 4,882                       | 3,073                         | 229                            | 90                              | 24                              | 6                                |                                   | —                     |
| Total assets  | 21,461,700                           | —                    | 2,094,039           | 3,184,668                 | 3,109,587                 | 3,355,268                   | 5,591,221                     | 1,510,720                      | 1,370,965                       | 810,364                         | 434,868                          |                                   | —                     |
| Notes and accounts receivable, net                      | 7,483,938                            | —                    | 583,372             | 1,115,734                 | 1,137,365                 | 1,249,085                   | 2,088,953                     | 527,005                        | 426,698                         | 225,630                         | 130,096                          |                                   | —                     |
| Inventories   | 3,151,101                            | —                    | 199,995             | 404,152                   | 442,938                   | 418,697                     | 864,999                       | 301,772                        | 304,236                         | 201,149                         | 13,163                           |                                   | —                     |
| Cash, Government obligations, and other current assets  | 4,348,726                            | —                    | 436,515             | 563,780                   | 578,414                   | 648,207                     | 1,161,096                     | 348,310                        | 287,735                         | 189,834                         | 134,835                          |                                   | —                     |
| Other investments and loans <sup>1</sup>                | 1,421,248                            | —                    | 135,545             | 207,807                   | 152,810                   | 240,398                     | 330,392                       | 79,543                         | 115,742                         | 57,394                          | 101,617                          |                                   | —                     |
| Depreciable assets                                      | 8,434,594                            | —                    | 1,427,669           | 1,507,545                 | 1,362,985                 | 1,381,221                   | 1,874,113                     | 354,162                        | 306,763                         | 165,912                         | 54,224                           |                                   | —                     |
| Less: Accumulated depreciation                          | 4,457,158                            | —                    | 799,829             | 773,323                   | 699,533                   | 723,588                     | 1,015,915                     | 171,763                        | 153,395                         | 90,213                          | 29,599                           |                                   | —                     |
| Other capital assets less reserves <sup>2</sup>         | 539,427                              | —                    | 64,869              | 87,418                    | 87,693                    | 99,677                      | 129,080                       | 13,894                         | 31,386                          | 19,496                          | 5,914                            |                                   | —                     |
| Accounts and notes payable <sup>1</sup>                 | 6,997,716                            | —                    | 748,022             | 1,011,285                 | 1,070,866                 | 1,156,902                   | 1,833,108                     | 483,886                        | 374,077                         | 239,592                         | 79,978                           |                                   | —                     |
| Other current liabilities                               | 3,019,061                            | —                    | 214,903             | 271,728                   | 327,967                   | 384,075                     | 822,302                       | 271,733                        | 359,272                         | 205,751                         | 161,330                          |                                   | —                     |
| Mortgages, notes, and bonds payable in one year or more | 2,441,027                            | —                    | 282,114             | 395,871                   | 354,871                   | 462,374                     | 541,842                       | 129,038                        | 115,015                         | 82,517                          | 77,385                           |                                   | —                     |
| Net worth   | 6,576,879                            | —                    | 420,428             | 1,219,415                 | 1,198,240                 | 1,073,737                   | 1,787,463                     | 363,565                        | 273,458                         | 146,783                         | 93,790                           |                                   | —                     |
| Cost of property used for investment credit             | 1,152,950                            | 5,531                | 178,052             | 217,797                   | 191,876                   | 199,731                     | 242,576                       | 57,334                         | 39,231                          | 13,680                          | 7,142                            |                                   | —                     |
| Total receipts  | 53,754,524                           | 229,574              | 9,302,228           | 9,743,372                 | 7,830,522                 | 8,056,767                   | 12,185,093                    | 2,765,113                      | 1,873,758                       | 1,208,735                       | 559,362                          |                                   | —                     |
| Business receipts                                       | 52,963,632                           | 219,222              | 9,215,177           | 9,656,141                 | 7,699,655                 | 7,925,363                   | 12,003,972                    | 2,715,717                      | 1,811,597                       | 1,178,601                       | 538,187                          |                                   | —                     |
| Cost of sales and operations                            | 39,676,519                           | 151,073              | 6,282,002           | 6,912,395                 | 5,667,045                 | 5,960,522                   | 9,477,566                     | 2,243,188                      | 1,493,917                       | 1,014,627                       | 474,184                          |                                   | —                     |
| Taxes paid  | 1,573,764                            | 8,578                | 312,642             | 318,690                   | 241,334                   | 246,317                     | 311,601                       | 59,604                         | 45,658                          | 23,475                          | 5,865                            |                                   | —                     |
| Interest paid   | 414,729                              | 1,217                | 66,564              | 68,734                    | 62,538                    | 76,666                      | 89,124                        | 16,927                         | 14,914                          | 10,312                          | 7,733                            |                                   | —                     |
| Depreciation  | 951,249                              | 4,556                | 189,504             | 177,680                   | 150,692                   | 153,673                     | 193,647                       | 36,393                         | 28,750                          | 10,974                          | 5,380                            |                                   | —                     |
| Pension, profit—sharing, stock bonus, and annuity plans | 330,980                              | *870                 | 33,114              | 42,470                    | 50,950                    | 68,043                      | 98,366                        | 18,450                         | 12,000                          | 3,888                           | 2,829                            |                                   | —                     |
| Employee benefit programs                               | 308,592                              | 1,014                | 42,785              | 58,035                    | 43,232                    | 58,846                      | 76,377                        | 11,764                         | 11,757                          | 4,035                           | 747                              |                                   | —                     |
| Net income (less deficit)                               | 960,036                              | 9,694                | 10,640              | 196,578                   | 114,297                   | 183,140                     | 288,341                       | 75,613                         | 40,300                          | 33,553                          | 7,880                            |                                   | —                     |
| Net income  | 1,738,760                            | 17,415               | 268,591             | 341,954                   | 228,279                   | 257,582                     | 420,603                       | 92,802                         | 61,099                          | 38,442                          | 11,993                           |                                   | —                     |
| Income subject to tax                                   | 1,284,190                            | 13,781               | 133,541             | 221,316                   | 172,204                   | 208,792                     | 349,907                       | 83,202                         | 57,364                          | 33,235                          | 10,848                           |                                   | —                     |
| Income tax, total                                       | 429,095                              | 4,775                | 29,455              | 49,971                    | 43,595                    | 69,830                      | 145,830                       | 38,094                         | 26,679                          | 15,772                          | 5,094                            |                                   | —                     |
| Additional tax for tax preferences                      | *88                                  | —                    | —                   | —                         | —                         | —                           | *88                           | —                              | —                               | —                               | —                                |                                   | —                     |
| Foreign tax credit                                      | 3,963                                | —                    | —                   | —                         | —                         | —                           | *60                           | *179                           | 170                             | 2,408                           | 1,146                            |                                   | —                     |
| U.S. possessions tax credit                             | 1                                    | —                    | 1                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                |                                   | —                     |
| Investment credit                                       | 46,022                               | *153                 | 3,877               | 7,846                     | 7,837                     | 9,255                       | 12,256                        | 2,495                          | 1,303                           | 643                             | 357                              |                                   | —                     |
| Work incentive (WIN) credit                             | *71                                  | —                    | *(')                | —                         | —                         | *52                         | *16                           | *3                             | —                               | —                               | —                                |                                   | —                     |
| Distributions to stockholders except in own stock       | 175,359                              | *13,205              | 45,471              | 37,382                    | 11,247                    | 16,304                      | 23,926                        | 14,750                         | 4,726                           | 4,546                           | 3,802                            |                                   | —                     |
| Total Manufacturing                                     |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 212,333                              | 4,109                | 85,177              | 42,120                    | 27,291                    | 21,992                      | 23,324                        | 3,706                          | 2,328                           | 871                             | 515                              | 418                               | 482                   |
| Total assets  | 1,034,602,790                        | —                    | 3,266,454           | 6,925,149                 | 9,695,990                 | 15,552,777                  | 48,629,835                    | 25,793,092                     | 35,855,005                      | 30,503,435                      | 36,101,816                       | 65,463,350                        | 756,815,887           |
| Notes and accounts receivable, net                      | 225,309,352                          | —                    | 752,614             | 1,737,369                 | 2,634,668                 | 4,104,931                   | 12,322,867                    | 6,018,231                      | 8,007,814                       | 6,264,068                       | 7,606,704                        | 12,555,567                        | 163,304,519           |
| Inventories   | 187,915,521                          | —                    | 543,055             | 1,384,121                 | 2,104,140                 | 3,901,206                   | 13,475,718                    | 7,511,877                      | 9,754,659                       | 7,876,592                       | 8,937,465                        | 14,908,954                        | 117,517,734           |
| Cash, Government obligations, and other current assets  | 102,217,680                          | —                    | 590,314             | 1,235,157                 | 1,502,389                 | 2,150,879                   | 6,126,405                     | 2,945,742                      | 4,107,276                       | 3,415,663                       | 3,660,530                        | 7,396,860                         | 69,086,465            |
| Other investments and loans <sup>1</sup>                | 164,335,229                          | —                    | 124,927             | 338,260                   | 409,584                   | 727,176                     | 2,447,772                     | 1,716,778                      | 2,876,820                       | 3,284,901                       | 4,014,416                        | 8,720,601                         | 139,673,994           |
| Depreciable assets                                      | 541,268,524                          | —                    | 2,242,144           | 4,083,051                 | 5,629,967                 | 8,662,580                   | 24,902,908                    | 12,622,618                     | 17,505,635                      | 14,575,486                      | 17,504,368                       | 32,940,860                        | 400,598,907           |
| Less: Accumulated depreciation                          | 257,587,902                          | —                    | 1,189,475           | 2,183,223                 | 3,040,366                 | 4,654,759                   | 12,891,926                    | 6,253,801                      | 8,389,509                       | 6,781,204                       | 8,055,118                        | 15,425,570                        | 188,722,771           |
| Other capital assets less reserves <sup>2</sup>         | 37,660,892                           | —                    | 87,955              | 174,655                   | 249,524                   | 380,232                     | 1,363,191                     | 721,319                        | 1,068,643                       | 1,026,609                       | 1,108,703                        | 1,987,777                         | 29,492,284            |
| Accounts and notes payable <sup>1</sup>                 | 198,498,682                          | —                    | 1,014,457           | 2,126,036                 | 2,788,018                 | 4,740,699                   | 13,518,630                    | 6,662,822                      | 7,598,086                       | 5,378,604                       | 6,176,020                        | 9,429,816                         | 139,335,494           |
| Other current liabilities                               | 99,229,377                           | —                    | 351,520             | 570,961                   | 898,754                   | 1,483,185                   | 4,503,770                     | 2,361,852                      | 3,445,603                       | 3,118,987                       | 3,603,409                        | 7,278,994                         | 71,612,342            |
| Mortgages, notes, and bonds payable in one year or more | 193,442,808                          | —                    | 590,818             | 1,120,117                 | 1,413,438                 | 2,244,381                   | 6,846,583                     | 3,468,832                      | 5,400,906                       | 5,033,571                       | 6,749,529                        | 12,545,923                        | 148,028,710           |
| Net worth   | 478,748,780                          | —                    | 600,418             | 2,493,640                 | 3,931,967                 | 6,555,018                   | 22,062,510                    | 12,516,669                     | 18,056,558                      | 15,856,244                      | 18,374,282                       | 34,172,843                        | 344,129,631           |
| Cost of property used for investment credit             | 59,835,381                           | 115,623              | 300,169             | 504,861                   | 638,909                   | 972,357                     | 2,518,617                     | 1,168,011                      | 1,489,523                       | 1,276,955                       | 1,694,722                        | 2,863,880                         | 46,291,754            |
| Total receipts  | 1,462,652,852                        | 5,723,108            | 10,667,763          | 17,977,741                | 23,641,438                | 37,923,406                  | 107,959,414                   | 52,212,060                     | 64,065,893                      | 48,998,469                      | 54,709,033                       | 91,824,884                        | 946,949,643           |
| Business receipts                                       | 1,414,454,531                        | 5,554,022            | 10,532,330          | 17,740,448                | 23,348,562                | 37,496,941                  | 106,510,525                   | 51,377,496                     | 62,853,114                      | 47,846,674                      | 53,351,092                       | 89,260,584                        | 908,582,743           |
| Cost of sales and operations                            | 1,035,840,144                        | 4,139,984            | 7,028,577           | 12,303,455                | 16,414,323                | 27,404,024                  | 79,660,998                    | 38,836,955                     | 46,650,895                      | 34,709,041                      | 38,740,162                       | 62,564,190                        | 667,387,540           |
| Taxes paid  | 39,228,691                           | 122,130              | 369,718             | 540,849                   | 658,575                   | 951,702                     | 2,533,674                     | 1,111,931                      | 1,504,402                       | 1,307,629                       | 1,564,080                        | 2,331,126                         | 26,232,875            |
| Interest paid   | 21,985,032                           | 64,434               | 82,507              | 175,351                   | 242,551                   | 361,569                     | 1,091,827                     | 550,400                        | 725,315                         | 620,397                         | 782,216                          | 1,363,680                         | 15,924,785            |
| Depreciation  | 37,774,304                           | 137,853              | 240,505             | 396,668                   | 510,162                   | 709,011                     | 1,959,690                     | 948,008                        | 1,299,764                       | 1,065,333                       | 1,328,423                        | 2,311,657                         | 26,867,230            |
| Pension, profit—sharing, stock bonus, and annuity plans | 16,580,790                           | 37,025               | 20,840              | 74,322                    | 131,837                   | 237,932                     | 685,861                       | 317,419                        | 457,610                         | 385,308                         | 472,990                          | 951,962                           | 12,807,684            |
| Employee benefit programs                               | 11,641,803                           | 27,109               | 56,174              | 80,659                    | 113,642                   | 187,846                     | 521,870                       | 256,546                        | 360,405                         | 293,750                         | 394,352                          | 781,970                           | 8,567,480             |
| Net income (less deficit)                               | 89,272,357                           | 366,368              | —37,602             | 307,150                   | 631,965                   | 1,239,914                   | 4,562,869                     | 2,597,301                      | 3,532,805                       | 3,129,348                       | 3,311,240                        | 6,186,929                         | 63,444,070            |
| Net income  | 94,990,863                           | 445,606              | 325,674             | 703,054                   | 959,522                   | 1,608,086                   | 5,444,782                     | 2,977,137                      | 4,042,010                       | 3,405,337                       | 3,665,612                        | 6,580,669                         | 64,833,374            |
| Income subject to tax                                   | 88,825,102                           | 416,473              | 160,396             | 508,563                   | 716,661                   | 1,303,610                   | 4,802,361                     | 2,787,465                      | 3,805,651                       | 3,247,542                       | 3,463,264                        | 6,395,729                         | 61,217,387            |
| Income tax, total                                       | 41,452,853                           | 194,212              | 33,027              | 117,698                   | 206,110                   | 468,466                     | 2,108,710                     | 1,299,638                      | 1,797,400                       | 1,544,798                       | 1,648,391                        | 3,038,731                         | 28,995,675            |
| Additional tax for tax preferences                      | 72,843                               | *43                  | —                   | —                         | —                         | —                           | *91                           | 510                            | 94                              | 144                             | 711                              | 1,060                             | 69,530                |
| Foreign tax credit                                      | 8,388,111                            | 28,899               | *(')                | *136                      | *132                      | *126                        | 4,959                         | 9,255                          | 25,674                          | 61,645                          | 84,828                           | 206,777                           | 7,965,680             |
| U.S. possessions tax credit                             | 662,947                              | 17,737               | 23                  | 238                       | 657                       | 2,464                       | 31,241                        | 50,418                         | 82,111                          | 80,494                          | 38,355                           | 265,473                           | 93,736                |
| Investment credit                                       | 4,150,832                            | 11,629               | 9,658               | 24,503                    | 34,987                    | 58,093                      | 162,696                       | 81,816                         | 107,458                         | 89,815                          | 111,846                          | 210,333                           | 3,247,998             |
| Work incentive (WIN) credit                             | 6,744                                | *18                  | *(')                | *474                      | *364                      | *422                        | *719                          | *213                           | *242                            | *225                            | *231                             | *295                              | 3,541                 |
| Distributions to stockholders except in own stock       | 22,884,452                           | 55,630               | 38,556              | 77,221                    | 107,966                   | 142,708                     | 444,370                       | 280,147                        | 417,016                         | 468,476                         | 575,353                          | 1,100,511                         | 19,176,498            |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued.

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Food and Kindred Products                |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 15,478                               | 345                  | 4,615               | 3,047                     | 1,854                     | 1,909                       | 2,627                         | 503                            | 300                             | 104                             | 64                               | 54                                | 56                    |
| Total assets  | 81,579,230                           |                      | 214,749             | 507,185                   | 642,025                   | 1,380,321                   | 5,611,521                     | 3,506,401                      | 4,652,271                       | 3,513,226                       | 4,356,132                        | 8,060,021                         | 49,135,378            |
| Notes and accounts receivable, net                      | 15,311,153                           |                      | 25,659              | 103,148                   | 135,114                   | 324,916                     | 1,324,183                     | 794,861                        | 917,571                         | 695,441                         | 743,631                          | 1,276,214                         | 8,970,415             |
| Inventories   | 17,760,039                           |                      | 27,178              | 113,322                   | 132,794                   | 310,196                     | 1,201,985                     | 805,887                        | 1,118,668                       | 868,522                         | 1,087,177                        | 1,918,266                         | 10,176,044            |
| Cash, Government obligations, and other current assets  | 8,186,159                            |                      | 31,989              | 83,388                    | 80,408                    | 171,385                     | 726,556                       | 416,600                        | 544,512                         | 344,354                         | 506,531                          | 837,211                           | 4,443,225             |
| Other investments and loans <sup>1</sup>                | 13,114,308                           |                      | 8,164               | 23,270                    | 22,246                    | 51,035                      | 283,733                       | 200,709                        | 337,522                         | 379,774                         | 377,789                          | 1,173,501                         | 10,256,565            |
| Depreciable assets                                      | 41,273,791                           |                      | 208,582             | 388,331                   | 530,854                   | 973,535                     | 3,701,808                     | 2,150,006                      | 2,842,032                       | 1,938,474                       | 2,382,155                        | 4,136,603                         | 22,021,411            |
| Less: Accumulated depreciation                          | 18,508,271                           |                      | 102,657             | 237,336                   | 294,488                   | 532,163                     | 1,940,168                     | 1,062,170                      | 1,359,889                       | 894,868                         | 1,028,937                        | 1,825,228                         | 9,230,367             |
| Other capital assets less reserves <sup>2</sup>         | 1,791,137                            |                      | 5,556               | 22,378                    | 15,250                    | 44,001                      | 190,675                       | 121,556                        | 145,597                         | 104,345                         | 147,621                          | 220,999                           | 773,159               |
| Accounts and notes payable <sup>3</sup>                 | 15,975,116                           |                      | 79,260              | 138,970                   | 191,435                   | 404,702                     | 1,576,330                     | 1,051,731                      | 1,238,867                       | 922,714                         | 1,002,244                        | 1,657,088                         | 7,711,775             |
| Other current liabilities                               | 7,982,255                            |                      | 6,708               | 25,376                    | 43,476                    | 95,772                      | 402,808                       | 302,084                        | 402,837                         | 321,602                         | 425,007                          | 742,837                           | 5,213,748             |
| Mortgages, notes, and bonds payable in one year or more | 14,671,113                           |                      | 23,077              | 119,214                   | 95,409                    | 186,844                     | 753,937                       | 515,627                        | 712,541                         | 576,483                         | 768,672                          | 1,443,885                         | 9,475,424             |
| Net worth   | 39,919,492                           |                      | 73,244              | 176,161                   | 262,139                   | 622,657                     | 2,640,383                     | 1,539,083                      | 2,153,104                       | 1,608,199                       | 2,012,033                        | 4,045,043                         | 24,787,446            |
| Cost of property used for investment credit             | 4,212,858                            | 21,773               | 26,298              | 31,155                    | 64,698                    | 99,708                      | 399,735                       | 235,815                        | 249,054                         | 177,341                         | 224,451                          | 368,950                           | 2,313,880             |
| Total receipts  | 178,451,991                          | 820,946              | 780,704             | 1,952,041                 | 2,325,244                 | 5,847,689                   | 20,510,452                    | 11,808,186                     | 13,474,312                      | 9,709,010                       | 10,646,650                       | 16,663,829                        | 83,912,928            |
| Business receipts                                       | 175,477,266                          | 811,947              | 771,698             | 1,939,424                 | 2,293,440                 | 5,807,911                   | 20,342,706                    | 11,682,118                     | 13,300,384                      | 9,588,760                       | 10,487,005                       | 16,436,115                        | 82,009,758            |
| Cost of sales and operations                            | 135,868,419                          | 658,444              | 574,871             | 1,518,131                 | 1,759,853                 | 4,852,746                   | 16,812,693                    | 9,640,098                      | 10,887,664                      | 7,727,982                       | 8,356,457                        | 12,736,259                        | 60,343,221            |
| Taxes paid  | 4,405,715                            | 11,926               | 20,555              | 35,508                    | 43,218                    | 75,186                      | 343,867                       | 171,802                        | 308,477                         | 351,508                         | 455,350                          | 403,768                           | 2,184,550             |
| Interest paid   | 1,718,527                            | 9,092                | 3,301               | 14,618                    | 14,713                    | 32,879                      | 120,603                       | 81,250                         | 99,845                          | 84,146                          | 107,296                          | 178,508                           | 972,276               |
| Depreciation  | 3,072,133                            | 15,221               | 18,083              | 30,482                    | 46,758                    | 79,863                      | 290,199                       | 170,610                        | 206,461                         | 139,864                         | 168,972                          | 288,794                           | 1,616,826             |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,030,974                            | 1,684                | 1,665               | 3,953                     | 9,589                     | 14,760                      | 73,420                        | 43,543                         | 56,650                          | 39,989                          | 47,229                           | 109,291                           | 629,201               |
| Employee benefit programs                               | 844,330                              | 1,234                | 3,442               | 6,706                     | 13,487                    | 50,680                      | 35,712                        | 46,063                         | 28,652                          | 45,698                          | 59,989                           | 109,022                           | 501,093               |
| Net income (less deficit)                               | 7,340,030                            | 24,151               | -6,201              | 21,583                    | 45,688                    | 140,771                     | 599,537                       | 352,073                        | 367,359                         | 286,441                         | 326,442                          | 519,321                           | 4,662,865             |
| Net income  | 7,944,545                            | 31,640               | 15,557              | 45,510                    | 66,385                    | 159,974                     | 687,448                       | 390,405                        | 426,254                         | 326,745                         | 415,165                          | 664,049                           | 4,715,413             |
| Income subject to tax                                   | 7,603,610                            | 26,416               | 10,363              | 37,316                    | 41,083                    | 112,600                     | 611,798                       | 372,067                        | 407,412                         | 319,250                         | 390,703                          | 651,900                           | 4,622,702             |
| Income tax, total                                       | 3,580,397                            | 11,468               | 2,483               | 10,061                    | 11,012                    | 40,841                      | 272,575                       | 173,915                        | 192,766                         | 151,770                         | 186,289                          | 311,357                           | 2,215,860             |
| Additional tax for tax preferences                      | 553                                  | (1)                  | -                   | -                         | -                         | -                           | (1)                           | (1)                            | 4                               | 14                              | 54                               | -                                 | 481                   |
| Foreign tax credit                                      | 361,028                              | 6                    | (1)                 | -                         | -                         | -                           | 496                           | 576                            | 585                             | 2,286                           | 2,571                            | 6,928                             | 347,580               |
| U.S. possessions tax credit                             | 42,550                               | -                    | -                   | -                         | -                         | -                           | -                             | 334                            | 5,484                           | 2,917                           | 7,804                            | 22,856                            | -                     |
| Investment credit                                       | 331,343                              | 1,168                | 1,172               | 1,623                     | 3,099                     | 5,915                       | 25,033                        | 16,255                         | 16,948                          | 12,459                          | 15,606                           | 25,309                            | 206,756               |
| Work incentive (WIN) credit                             | 374                                  | 1                    | -                   | -                         | -                         | 13                          | 192                           | 6                              | 20                              | 15                              | 3                                | 24                                | 100                   |
| Distributions to stockholders except in own stock       | 1,794,195                            | 2,621                | 194                 | 19,274                    | 13,975                    | 20,723                      | 65,863                        | 31,900                         | 38,299                          | 39,788                          | 83,002                           | 133,072                           | 1,345,484             |
| Manufacturing: Tobacco Manufactures                     |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 40                                   | **                   | -                   | -                         | -                         | -                           | 11                            | 11                             | 8                               | -                               | -                                | -                                 | 6                     |
| Total assets  | 18,082,738                           |                      | -                   | -                         | -                         | -                           | 28,534                        | 63,911                         | 204,695                         | -                               | -                                | -                                 | 17,432,812            |
| Notes and accounts receivable, net                      | 1,899,712                            |                      | -                   | -                         | -                         | -                           | 3,646                         | 8,259                          | 42,399                          | -                               | -                                | -                                 | 1,810,627             |
| Inventories   | 4,722,473                            |                      | -                   | -                         | -                         | -                           | 15,516                        | 26,200                         | 73,582                          | -                               | -                                | -                                 | 4,447,616             |
| Cash, Government obligations, and other current assets  | 1,186,731                            |                      | -                   | -                         | -                         | -                           | 3,376                         | 12,129                         | 16,387                          | -                               | -                                | -                                 | 1,135,751             |
| Other investments and loans <sup>1</sup>                | 5,933,367                            |                      | -                   | -                         | -                         | -                           | 1,573                         | 2,823                          | 32,680                          | -                               | -                                | -                                 | 5,872,084             |
| Depreciable assets                                      | 4,612,959                            |                      | -                   | -                         | -                         | -                           | 9,129                         | 30,896                         | 63,912                          | -                               | -                                | -                                 | 4,365,709             |
| Less: Accumulated depreciation                          | 1,312,598                            |                      | -                   | -                         | -                         | -                           | 5,535                         | 18,106                         | 30,667                          | -                               | -                                | -                                 | 1,202,731             |
| Other capital assets less reserves <sup>2</sup>         | 593,086                              |                      | -                   | -                         | -                         | -                           | 202                           | 1,107                          | 2,406                           | -                               | -                                | -                                 | 577,857               |
| Accounts and notes payable <sup>3</sup>                 | 2,446,899                            |                      | -                   | -                         | -                         | -                           | 5,030                         | 21,113                         | 30,375                          | -                               | -                                | -                                 | 2,352,205             |
| Other current liabilities                               | 1,170,729                            |                      | -                   | -                         | -                         | -                           | 1,742                         | 3,513                          | 11,582                          | -                               | -                                | -                                 | 1,114,318             |
| Mortgages, notes, and bonds payable in one year or more | 3,719,467                            |                      | -                   | -                         | -                         | -                           | 6,536                         | 9,007                          | 8,237                           | -                               | -                                | -                                 | 3,585,741             |
| Net worth   | 9,459,270                            |                      | -                   | -                         | -                         | -                           | 13,379                        | 29,879                         | 151,606                         | -                               | -                                | -                                 | 9,100,353             |
| Cost of property used for investment credit             | 524,264                              |                      | -                   | -                         | -                         | -                           | 651                           | 1,704                          | 3,857                           | -                               | -                                | -                                 | 509,472               |
| Total receipts  | 15,868,301                           | **                   | -                   | -                         | -                         | -                           | 51,294                        | 204,339                        | 316,140                         | -                               | -                                | -                                 | 14,664,411            |
| Business receipts                                       | 15,422,861                           | **                   | -                   | -                         | -                         | -                           | 51,107                        | 199,905                        | 308,736                         | -                               | -                                | -                                 | 14,236,149            |
| Cost of sales and operations                            | 8,931,948                            | **                   | -                   | -                         | -                         | -                           | 35,237                        | 177,291                        | 223,510                         | -                               | -                                | -                                 | 8,049,178             |
| Taxes paid  | 1,822,532                            | **                   | -                   | -                         | -                         | -                           | 5,597                         | 5,999                          | 10,858                          | -                               | -                                | -                                 | 1,781,907             |
| Interest paid   | 414,388                              | **                   | -                   | -                         | -                         | -                           | 718                           | 2,323                          | 1,820                           | -                               | -                                | -                                 | 397,535               |
| Depreciation  | 310,048                              | **                   | -                   | -                         | -                         | -                           | 620                           | 2,412                          | 3,003                           | -                               | -                                | -                                 | 294,202               |
| Pension, profit-sharing, stock bonus, and annuity plans | 157,203                              | **                   | -                   | -                         | -                         | -                           | 22                            | 188                            | 1,604                           | -                               | -                                | -                                 | 151,187               |
| Employee benefit programs                               | 137,364                              | **                   | -                   | -                         | -                         | -                           | 51                            | 144                            | 534                             | -                               | -                                | -                                 | 129,938               |
| Net income (less deficit)                               | 1,704,708                            | **                   | -                   | -                         | -                         | -                           | 3,529                         | 7,659                          | 28,520                          | -                               | -                                | -                                 | 1,631,618             |
| Net income  | 1,707,439                            | **                   | -                   | -                         | -                         | -                           | 3,529                         | 7,659                          | 30,254                          | -                               | -                                | -                                 | 1,631,618             |
| Income subject to tax                                   | 1,653,364                            | **                   | -                   | -                         | -                         | -                           | 3,529                         | 7,533                          | 29,813                          | -                               | -                                | -                                 | 1,578,121             |
| Income tax, total                                       | 790,865                              | **                   | -                   | -                         | -                         | -                           | 1,608                         | 3,399                          | 14,262                          | -                               | -                                | -                                 | 755,087               |
| Additional tax for tax preferences                      | -                                    | -                    | -                   | -                         | -                         | -                           | -                             | -                              | -                               | -                               | -                                | -                                 | -                     |
| Foreign tax credit                                      | 132,874                              | -                    | -                   | -                         | -                         | -                           | -                             | -                              | -                               | -                               | -                                | -                                 | -                     |
| U.S. possessions tax credit                             | 6,769                                | **                   | -                   | -                         | -                         | -                           | 273                           | 1,287                          | 27                              | -                               | -                                | -                                 | 131,545               |
| Investment credit                                       | 46,790                               | -                    | -                   | -                         | -                         | -                           | 60                            | 222                            | 6,131                           | -                               | -                                | -                                 | -                     |
| Work incentive (WIN) credit                             | 31                                   | -                    | -                   | -                         | -                         | -                           | 9                             | 9                              | 274                             | -                               | -                                | -                                 | 45,750                |
| Distributions to stockholders except in own stock       | 416,975                              | -                    | -                   | -                         | -                         | -                           | -                             | 135                            | 16,976                          | -                               | -                                | -                                 | 22                    |
|   | -                                    | -                    | -                   | -                         | -                         | -                           | -                             | -                              | -                               | -                               | -                                | -                                 | 382,034               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

**Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                     | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Manufacturing: Textile Mill Products</b>              |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 4,690                                | 19                   | 1,221               | 907                       | 637                       | 618                         | 865                           | 193                            | 128                             | 44                              | 31                               | 14                                | 13                    |
| Total assets   | 18,678,554                           | —                    | 44,532              | 136,171                   | 227,167                   | 470,144                     | 1,993,447                     | 1,345,881                      | 1,958,209                       | 1,554,982                       | 2,067,066                        | 1,952,943                         | 6,928,012             |
| Notes and accounts receivable, net                       | 4,819,227                            | —                    | *10,972             | 33,452                    | 63,321                    | 117,765                     | 484,493                       | 329,439                        | 433,539                         | 303,090                         | 557,859                          | 498,759                           | 1,986,538             |
| Inventories  | 5,132,949                            | —                    | *5,978              | 24,143                    | 47,719                    | 150,491                     | 609,076                       | 366,619                        | 623,335                         | 495,361                         | 550,740                          | 492,462                           | 1,767,025             |
| Cash, Government obligations, and other current assets   | 1,412,262                            | —                    | 11,897              | 27,386                    | 30,925                    | 58,346                      | 216,901                       | 128,786                        | 167,325                         | 141,596                         | 120,887                          | 123,443                           | 384,770               |
| Other investments and loans <sup>1</sup>                 | 1,315,854                            | —                    | *1,540              | *12,172                   | 9,833                     | 19,467                      | 82,464                        | 82,931                         | 113,859                         | 160,280                         | 178,574                          | 571,891                           | 571,891               |
| Depreciable assets                                       | 12,705,853                           | —                    | *46,262             | 101,844                   | 133,739                   | 274,126                     | 1,223,402                     | 839,951                        | 1,270,456                       | 913,700                         | 1,251,332                        | 1,343,571                         | 5,307,470             |
| Less: Accumulated depreciation                           | 7,122,911                            | —                    | *32,598             | 67,323                    | 67,181                    | 167,439                     | 686,806                       | 433,676                        | 669,128                         | 444,610                         | 661,067                          | 718,259                           | 3,174,824             |
| Other capital assets less reserves <sup>2</sup>          | 170,126                              | —                    | —                   | *1,742                    | *713                      | 6,307                       | 27,088                        | 19,599                         | 22,469                          | 17,732                          | 25,793                           | 13,248                            | 35,435                |
| Accounts and notes payable <sup>1</sup>                  | 4,409,660                            | —                    | *14,716             | 46,939                    | 88,374                    | 141,416                     | 683,340                       | 394,663                        | 508,101                         | 304,205                         | 427,942                          | 237,062                           | 1,562,902             |
| Other current liabilities                                | 1,624,285                            | —                    | 5,810               | 15,878                    | 33,203                    | 37,748                      | 150,272                       | 81,790                         | 137,410                         | 132,190                         | 159,405                          | 190,665                           | 679,914               |
| Mortgages, notes, and bonds payable in one year or more  | 2,982,182                            | —                    | *4,032              | *15,045                   | 26,219                    | 54,816                      | 281,870                       | 236,449                        | 328,932                         | 254,921                         | 529,527                          | 328,553                           | 921,818               |
| Net worth  | 9,213,297                            | —                    | 15,148              | 24,430                    | 53,723                    | 220,337                     | 839,442                       | 593,092                        | 944,714                         | 834,035                         | 921,426                          | 1,136,475                         | 3,630,475             |
| Cost of property used for investment credit              | 916,156                              | *995                 | *6,386              | *6,202                    | 8,328                     | 25,760                      | 91,028                        | 57,494                         | 95,554                          | 68,756                          | 69,130                           | 91,238                            | 395,285               |
| Total receipts   | 33,331,206                           | *91,203              | 225,065             | 482,962                   | 637,146                   | 1,288,966                   | 4,489,879                     | 2,789,761                      | 3,621,347                       | 2,788,782                       | 3,316,459                        | 3,242,469                         | 10,357,167            |
| Business receipts  | 32,829,446                           | *88,602              | 219,234             | 463,669                   | 632,464                   | 1,277,919                   | 4,449,460                     | 2,761,677                      | 3,578,496                       | 2,735,272                       | 3,259,914                        | 3,208,299                         | 10,154,440            |
| Cost of sales and operations                             | 25,664,584                           | *70,335              | 140,937             | 369,272                   | 497,466                   | 1,022,875                   | 3,526,594                     | 2,247,620                      | 2,862,222                       | 2,121,256                       | 2,516,393                        | 2,482,570                         | 7,807,044             |
| Taxes paid   | 787,205                              | *2,429               | 10,909              | 16,895                    | 15,764                    | 26,908                      | 98,963                        | 55,236                         | 75,736                          | 61,180                          | 78,133                           | 82,115                            | 262,937               |
| Interest paid  | 450,391                              | *1,927               | *469                | 3,261                     | 6,654                     | 10,072                      | 53,688                        | 41,223                         | 52,082                          | 36,389                          | 63,962                           | 37,938                            | 142,726               |
| Depreciation   | 885,057                              | *1,351               | *3,877              | 10,058                    | 12,321                    | 19,201                      | 88,186                        | 54,524                         | 86,164                          | 69,132                          | 88,481                           | 94,639                            | 357,123               |
| Pension, profit-sharing, stock bonus, and annuity plans  | 197,539                              | *662                 | *530                | *443                      | *1,399                    | 5,855                       | 20,945                        | 10,794                         | 14,727                          | 14,492                          | 21,758                           | 20,028                            | 85,906                |
| Employee benefit programs                                | 131,461                              | *246                 | *952                | *2,701                    | 2,312                     | 4,851                       | 16,356                        | 14,764                         | 14,712                          | 12,045                          | 16,837                           | 16,327                            | 29,358                |
| Net income (less deficit)                                | 1,067,232                            | *1,299               | 6,097               | 12,280                    | 18,774                    | 30,906                      | 100,561                       | 77,709                         | 106,558                         | 130,271                         | 89,241                           | 158,792                           | 372,492               |
| Net income   | 1,433,359                            | *4,306               | *12,585             | 25,299                    | 11,183                    | 44,990                      | 175,198                       | 109,758                        | 155,584                         | 149,661                         | 117,398                          | 165,655                           | 461,742               |
| Income subject to tax                                    | 1,340,467                            | *3,622               | *6,852              | 10,872                    | 9,501                     | 41,958                      | 154,132                       | 101,541                        | 144,722                         | 142,062                         | 110,509                          | 159,509                           | 455,037               |
| Income tax, total  | 623,324                              | *1,649               | *1,361              | 2,364                     | 3,026                     | 15,556                      | 67,819                        | 47,018                         | 68,515                          | 67,518                          | 52,794                           | 76,288                            | 219,416               |
| Additional tax for tax preferences                       | *50                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | ( <sup>1</sup> )                | 3                               | —                                | 44                                | —                     |
| Foreign tax credit                                       | 7,737                                | —                    | —                   | —                         | —                         | —                           | *6                            | *6                             | 1,788                           | 327                             | 2,359                            | 817                               | 2,432                 |
| U.S. possessions tax credit                              | 588                                  | 4                    | —                   | —                         | 58                        | 236                         | 1                             | 289                            | —                               | —                               | —                                | —                                 | —                     |
| Investment credit  | 79,628                               | *81                  | *390                | *586                      | *492                      | 1,344                       | 6,336                         | 4,024                          | 6,138                           | 6,547                           | 6,044                            | 7,309                             | 40,337                |
| Work incentive (WIN) credit                              | 209                                  | —                    | —                   | —                         | —                         | *52                         | *4                            | *45                            | 14                              | 23                              | 10                               | 43                                | 18                    |
| Distributions to stockholders except in own stock        | 198,196                              | *34                  | *561                | —                         | *10                       | 4,277                       | 12,447                        | 7,078                          | 12,588                          | 12,824                          | 18,762                           | 28,343                            | 101,272               |
| <b>Manufacturing: Apparel and Other Textile Products</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 15,756                               | 513                  | 6,518               | 3,349                     | 1,873                     | 1,428                       | 1,654                         | 241                            | 121                             | 29                              | 16                               | 7                                 | 7                     |
| Total assets   | 15,216,069                           | —                    | 247,842             | 544,402                   | 675,643                   | 1,026,105                   | 3,371,867                     | 1,655,987                      | 1,761,501                       | 995,992                         | 1,125,937                        | 1,161,806                         | 2,648,987             |
| Notes and accounts receivable, net                       | 4,418,200                            | —                    | 65,610              | 151,923                   | 255,869                   | 374,612                     | 1,159,703                     | 476,119                        | 505,918                         | 250,227                         | 317,972                          | 299,653                           | 560,594               |
| Inventories  | 5,213,481                            | —                    | 40,200              | 137,719                   | 151,700                   | 348,348                     | 1,238,590                     | 651,629                        | 660,386                         | 398,958                         | 366,051                          | 383,036                           | 836,864               |
| Cash, Government obligations, and other current assets   | 1,708,534                            | —                    | 49,300              | 90,647                    | 132,770                   | 137,882                     | 414,661                       | 215,088                        | 181,928                         | 67,829                          | 97,205                           | 84,009                            | 237,215               |
| Other investments and loans <sup>1</sup>                 | 1,427,462                            | —                    | 13,479              | 58,227                    | 28,227                    | 35,918                      | 118,624                       | 128,497                        | 116,646                         | 75,516                          | 104,950                          | 150,048                           | 597,330               |
| Depreciable assets                                       | 3,904,575                            | —                    | 139,959             | 161,893                   | 213,426                   | 245,941                     | 786,321                       | 307,353                        | 414,080                         | 290,065                         | 337,900                          | 356,118                           | 651,519               |
| Less: Accumulated depreciation                           | 1,940,595                            | —                    | 70,564              | 80,646                    | 125,735                   | 130,734                     | 399,634                       | 159,711                        | 191,858                         | 127,635                         | 154,612                          | 169,248                           | 330,218               |
| Other capital assets less reserves <sup>2</sup>          | 150,034                              | —                    | *2,926              | *556                      | 6,235                     | 7,630                       | 23,369                        | 13,246                         | 27,249                          | 15,059                          | 29,638                           | 7,637                             | 16,489                |
| Accounts and notes payable <sup>1</sup>                  | 4,427,930                            | —                    | 79,476              | 187,611                   | 236,683                   | 418,300                     | 1,292,277                     | 600,366                        | 447,712                         | 218,469                         | 253,792                          | 220,198                           | 473,046               |
| Other current liabilities                                | 1,520,648                            | —                    | 38,288              | 66,322                    | 76,801                    | 124,448                     | 342,404                       | 135,012                        | 157,481                         | 75,810                          | 87,163                           | 121,412                           | 295,501               |
| Mortgages, notes, and bonds payable in one year or more  | 1,691,065                            | —                    | 39,808              | 28,459                    | 29,206                    | 71,147                      | 269,217                       | 111,356                        | 198,273                         | 162,080                         | 225,170                          | 247,324                           | 309,025               |
| Net worth  | 7,023,829                            | —                    | 39,879              | 222,967                   | 290,620                   | 375,876                     | 1,394,780                     | 783,242                        | 926,005                         | 518,858                         | 523,204                          | 542,606                           | 1,405,792             |
| Cost of property used for investment credit              | 330,638                              | 1,537                | 12,236              | 34,324                    | 17,425                    | 20,214                      | 64,651                        | 21,994                         | 36,285                          | 27,760                          | 21,991                           | 25,556                            | 46,665                |
| Total receipts   | 35,020,321                           | 153,082              | 1,415,378           | 1,877,911                 | 1,995,652                 | 3,464,693                   | 9,214,428                     | 3,802,674                      | 3,633,790                       | 1,778,036                       | 1,832,137                        | 1,895,940                         | 3,956,600             |
| Business receipts  | 34,578,132                           | 150,237              | 1,402,799           | 1,854,131                 | 1,979,225                 | 3,436,600                   | 9,144,606                     | 3,774,667                      | 3,601,898                       | 1,759,558                       | 1,787,178                        | 1,830,428                         | 3,856,805             |
| Cost of sales and operations                             | 26,142,515                           | 107,241              | 1,058,774           | 1,393,528                 | 1,468,408                 | 2,667,875                   | 7,113,019                     | 2,963,690                      | 2,748,062                       | 1,268,598                       | 1,372,724                        | 1,316,925                         | 2,663,671             |
| Taxes paid   | 861,524                              | 4,360                | 76,680              | 68,016                    | 64,741                    | 79,530                      | 197,788                       | 64,626                         | 71,462                          | 45,763                          | 43,211                           | 50,584                            | 94,763                |
| Interest paid  | 346,528                              | 1,387                | 5,835               | 10,240                    | 11,633                    | 27,780                      | 85,874                        | 36,242                         | 38,846                          | 21,822                          | 29,477                           | 32,731                            | 46,661                |
| Depreciation   | 314,041                              | 1,700                | 15,582              | 15,492                    | 16,996                    | 20,089                      | 67,115                        | 23,568                         | 31,755                          | 20,686                          | 28,019                           | 27,418                            | 45,621                |
| Pension, profit-sharing, stock bonus, and annuity plans  | 179,749                              | *321                 | *1,068              | 10,455                    | 11,091                    | 20,900                      | 50,556                        | 14,363                         | 16,349                          | 10,621                          | 6,410                            | 9,107                             | 28,508                |
| Employee benefit programs                                | 138,954                              | *1,894               | 6,520               | 5,974                     | 9,726                     | 18,629                      | 34,189                        | 13,840                         | 9,238                           | 8,652                           | 4,521                            | 7,645                             | 18,126                |
| Net income (less deficit)                                | 1,315,055                            | 5,514                | —13,888             | 16,341                    | 44,544                    | 43,770                      | 303,208                       | 152,682                        | 196,851                         | 104,020                         | 50,434                           | 81,986                            | 329,593               |
| Net income   | 1,547,658                            | 9,306                | 20,084              | 59,607                    | 62,077                    | 70,204                      | 344,963                       | 165,097                        | 212,924                         | 106,360                         | 77,414                           | 81,986                            | 337,643               |
| Income subject to tax                                    | 1,357,813                            | 9,155                | 8,751               | 38,110                    | 49,312                    | 49,013                      | 300,419                       | 142,975                        | 186,605                         | 97,706                          | 74,139                           | 68,471                            | 333,157               |
| Income tax, total  | 608,402                              | 4,369                | 1,932               | 9,912                     | 16,242                    | 16,495                      | 130,492                       | 66,111                         | 88,407                          | 46,491                          | 35,435                           | 32,616                            | 159,900               |
| Additional tax for tax preferences                       | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit                                       | 16,744                               | —                    | —                   | —                         | —                         | *39                         | 397                           | *78                            | 245                             | 2,132                           | 611                              | 5,316                             | 7,926                 |
| U.S. possessions tax credit                              | 14,786                               | 1,646                | 4                   | 93                        | 134                       | 248                         | 7,360                         | 3,125                          | 2,176                           | —                               | —                                | —                                 | —                     |
| Investment credit  | 25,532                               | *7                   | *301                | 1,848                     | 1,181                     | 1,620                       | 4,349                         | 1,892                          | 2,880                           | 2,502                           | 1,582                            | 2,602                             | 4,768                 |
| Work incentive (WIN) credit                              | 137                                  | —                    | —                   | *68                       | —                         | ( <sup>1</sup> )            | 27                            | *13                            | 5                               | 10                              | 3                                | 1                                 | 10                    |
| Distributions to stockholders except in own stock        | 188,143                              | ( <sup>1</sup> )     | *6,759              | *5,019                    | 15,382                    | 10,208                      | 19,418                        | 20,947                         | 27,727                          | 12,708                          | 14,053                           | 17,999                            | 37,923                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Manufacturing: Lumber and Wood Products</b>          |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 13,154                               | 590                  | 4,631               | 2,878                     | 2,236                     | 1,362                       | 1,142                         | 151                            | 107                             | 30                              | 10                               | 4                                 | 13                    |
| Total assets  | 26,749,927                           | —                    | 223,294             | 479,189                   | 793,769                   | 952,300                     | 2,295,989                     | 1,035,014                      | 1,626,185                       | 1,042,621                       | 678,242                          | 614,544                           | 17,008,780            |
| Notes and accounts receivable, net                      | 3,856,378                            | —                    | 44,049              | 87,892                    | 179,550                   | 211,229                     | 475,572                       | 178,276                        | 256,576                         | 124,471                         | 77,634                           | 163,315                           | 2,057,814             |
| Inventories   | 4,543,181                            | —                    | 34,244              | 101,076                   | 171,104                   | 237,983                     | 687,625                       | 293,655                        | 372,325                         | 182,388                         | 164,864                          | 105,863                           | 2,192,054             |
| Cash, Government obligations, and other current assets  | 2,143,624                            | —                    | 56,525              | 85,547                    | 127,513                   | 113,609                     | 260,275                       | 136,579                        | 169,778                         | 53,363                          | 28,238                           | 911,782                           | —                     |
| Other investments and loans <sup>1</sup>                | 3,606,435                            | —                    | *12,199             | 17,616                    | 18,044                    | 67,525                      | 103,982                       | 82,734                         | 114,749                         | 113,635                         | 92,348                           | 45,690                            | 2,937,913             |
| Depreciable assets                                      | 16,129,413                           | —                    | 141,406             | 363,973                   | 532,672                   | 610,213                     | 1,301,480                     | 468,251                        | 721,312                         | 429,664                         | 346,823                          | 275,362                           | 10,938,257            |
| Less: Accumulated depreciation                          | 6,906,906                            | —                    | 70,752              | 195,651                   | 283,803                   | 330,328                     | 709,199                       | 235,995                        | 336,805                         | 211,380                         | 159,210                          | 133,377                           | 4,240,406             |
| Other capital assets less reserves <sup>2</sup>         | 2,573,984                            | —                    | *4,092              | 13,062                    | 42,368                    | 37,546                      | 120,903                       | 80,564                         | 232,815                         | 205,733                         | 51,528                           | 84,485                            | 1,700,888             |
| Accounts and notes payable <sup>1</sup>                 | 4,376,241                            | —                    | 79,594              | 150,031                   | 227,235                   | 272,855                     | 660,378                       | 266,196                        | 347,885                         | 199,555                         | 95,732                           | 169,491                           | 1,907,289             |
| Other current liabilities                               | 2,710,130                            | —                    | 22,016              | 34,841                    | 53,997                    | 92,141                      | 189,739                       | 79,609                         | 145,904                         | 91,208                          | 52,744                           | 44,539                            | 1,903,392             |
| Mortgages, notes, and bonds payable in one year or more | 6,104,908                            | —                    | 36,663              | 74,748                    | 96,192                    | 189,548                     | 375,323                       | 199,525                        | 353,378                         | 267,157                         | 159,428                          | 203,158                           | 4,149,788             |
| Net worth   | 12,286,208                           | —                    | 39,880              | 194,128                   | 368,136                   | 324,838                     | 978,316                       | 432,602                        | 710,155                         | 380,321                         | 344,583                          | 176,928                           | 8,336,321             |
| Cost of property used for investment credit             | 1,817,675                            | *3,715               | 24,247              | 47,815                    | 77,462                    | 79,574                      | 122,591                       | 38,151                         | 59,791                          | 50,008                          | 50,647                           | 10,473                            | 1,253,201             |
| Total receipts  | 36,730,091                           | 128,340              | 813,469             | 1,154,674                 | 2,126,067                 | 2,340,481                   | 5,019,639                     | 1,846,413                      | 2,880,041                       | 1,602,864                       | 1,246,814                        | 901,639                           | 16,669,650            |
| Business receipts                                       | 34,739,336                           | 124,046              | 799,845             | 1,135,461                 | 2,106,394                 | 2,305,384                   | 4,902,742                     | 1,787,147                      | 2,771,284                       | 1,532,157                       | 1,165,261                        | 873,940                           | 15,235,675            |
| Cost of sales and operations                            | 25,993,918                           | 79,961               | 545,464             | 791,290                   | 1,534,802                 | 1,780,540                   | 3,929,184                     | 1,440,205                      | 2,229,440                       | 1,248,292                       | 923,113                          | 698,970                           | 10,792,657            |
| Taxes paid  | 901,803                              | —                    | 24,109              | 36,732                    | 60,801                    | 57,224                      | 120,020                       | 38,997                         | 60,864                          | 27,703                          | 29,652                           | 13,072                            | 428,810               |
| Interest paid   | 680,738                              | —                    | 5,524               | 16,963                    | 21,511                    | 28,379                      | 64,235                        | 28,103                         | 36,388                          | 31,998                          | 14,573                           | 19,730                            | 411,251               |
| Depreciation  | 1,245,709                            | 6,520                | 16,587              | 43,210                    | 57,207                    | 54,068                      | 109,831                       | 33,526                         | 57,397                          | 28,669                          | 30,317                           | 20,939                            | 787,438               |
| Pension, profit-sharing, stock bonus, and annuity plans | 212,374                              | *665                 | *682                | *4,280                    | 3,711                     | 9,195                       | 22,341                        | 9,409                          | 13,410                          | 4,862                           | 18,661                           | 2,603                             | 122,555               |
| Employee benefit programs                               | 125,503                              | *243                 | *1,383              | 5,872                     | 3,531                     | 6,402                       | 17,005                        | 7,449                          | 10,499                          | 6,239                           | 3,293                            | 2,869                             | 80,718                |
| Net income (less deficit)                               | 1,899,364                            | —471                 | 15,649              | 12,785                    | 88,497                    | 64,456                      | 194,083                       | 59,055                         | 127,973                         | 64,315                          | 59,125                           | 9,589                             | 1,204,308             |
| Net income  | 2,118,187                            | 8,139                | 36,352              | 36,630                    | 99,520                    | 88,485                      | 234,520                       | 86,272                         | 157,770                         | 80,286                          | 65,848                           | 20,057                            | 1,204,308             |
| Income subject to tax                                   | 1,916,266                            | *4,841               | *8,442              | 24,496                    | 57,123                    | 59,227                      | 181,257                       | 73,946                         | 150,835                         | 71,429                          | 64,447                           | 18,396                            | 1,201,827             |
| Income tax, total                                       | 707,442                              | *2,092               | *1,759              | 5,537                     | 15,675                    | 19,704                      | 77,048                        | 32,278                         | 66,646                          | 31,461                          | 25,455                           | 7,715                             | 422,072               |
| Additional tax for tax preferences                      | 6,182                                | —                    | —                   | —                         | —                         | —                           | *4                            | *21                            | 42                              | 25                              | —                                | —                                 | 6,090                 |
| Foreign tax credit                                      | 37,900                               | *543                 | —                   | —                         | —                         | —                           | *60                           | *345                           | 1,228                           | 56                              | 3,359                            | 2                                 | 32,307                |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 134,126                              | *360                 | *743                | 1,282                     | 3,718                     | 3,441                       | 7,748                         | 2,414                          | 4,124                           | 2,084                           | 2,349                            | 3,238                             | 102,625               |
| Work incentive (WIN) credit                             | 104                                  | —                    | —                   | —                         | —                         | *12                         | *8                            | *6                             | 27                              | 8                               | 3                                | —                                 | 40                    |
| Distributions to stockholders except in own stock       | 445,896                              | *2,035               | *14,647             | *6,151                    | 17,073                    | 9,112                       | 25,192                        | 8,808                          | 14,750                          | 21,862                          | 8,718                            | 1,156                             | 316,392               |
| <b>Manufacturing: Furniture and Fixtures</b>            |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 7,648                                | *93                  | 3,522               | 1,765                     | 968                       | 517                         | 607                           | 78                             | 59                              | 20                              | 14                               | 5                                 | —                     |
| Total assets  | 6,253,594                            | —                    | 150,245             | 276,165                   | 351,549                   | 356,907                     | 1,228,423                     | 564,040                        | 872,133                         | 568,957                         | 968,323                          | 816,852                           | —                     |
| Notes and accounts receivable, net                      | 1,561,723                            | —                    | 32,642              | 67,740                    | 98,248                    | 93,722                      | 312,390                       | 142,447                        | 209,734                         | 161,308                         | 252,169                          | 191,323                           | —                     |
| Inventories   | 1,876,922                            | —                    | 45,804              | 87,312                    | 114,958                   | 118,447                     | 418,206                       | 209,460                        | 260,658                         | 213,407                         | 237,256                          | 171,414                           | —                     |
| Cash, Government obligations, and other current assets  | 609,762                              | —                    | 14,041              | 33,202                    | 39,326                    | 48,841                      | 117,315                       | 62,121                         | 62,064                          | 51,821                          | 94,956                           | 86,075                            | —                     |
| Other investments and loans <sup>1</sup>                | 387,549                              | —                    | *6,826              | *2,891                    | 9,438                     | 15,649                      | 59,456                        | 21,525                         | 59,101                          | 43,120                          | 51,988                           | 117,555                           | —                     |
| Depreciable assets                                      | 2,816,191                            | —                    | 88,511              | 132,365                   | 138,650                   | 144,609                     | 535,432                       | 241,126                        | 435,159                         | 351,202                         | 417,633                          | 331,504                           | —                     |
| Less: Accumulated depreciation                          | 1,321,259                            | —                    | 41,174              | 58,533                    | 66,828                    | 72,347                      | 266,358                       | 125,956                        | 195,440                         | 167,582                         | 175,848                          | 151,193                           | —                     |
| Other capital assets less reserves <sup>2</sup>         | 129,290                              | —                    | *799                | 7,470                     | 14,594                    | 5,649                       | 28,783                        | 9,635                          | 22,556                          | 10,259                          | 13,525                           | 16,020                            | —                     |
| Accounts and notes payable <sup>1</sup>                 | 1,287,677                            | —                    | 51,643              | 103,230                   | 109,940                   | 123,565                     | 368,281                       | 120,237                        | 129,788                         | 77,288                          | 130,124                          | 73,581                            | —                     |
| Other current liabilities                               | 592,625                              | —                    | 7,990               | 18,423                    | 27,503                    | 31,325                      | 99,427                        | 47,029                         | 72,047                          | 53,315                          | 99,729                           | 135,837                           | —                     |
| Mortgages, notes, and bonds payable in one year or more | 971,544                              | —                    | 28,494              | 33,090                    | 54,174                    | 47,771                      | 182,908                       | 59,682                         | 134,925                         | 112,629                         | 172,999                          | 144,872                           | —                     |
| Net worth   | 3,116,522                            | —                    | 13,486              | 70,993                    | 135,429                   | 129,902                     | 550,512                       | 320,719                        | 524,094                         | 366,909                         | 551,558                          | 452,920                           | —                     |
| Cost of property used for investment credit             | 229,263                              | *1,204               | 11,974              | 27,161                    | 17,024                    | 14,467                      | 43,498                        | 15,852                         | 27,892                          | 19,393                          | 28,670                           | 22,128                            | —                     |
| Total receipts  | 12,273,572                           | *98,175              | 403,837             | 787,502                   | 935,190                   | 816,945                     | 2,774,525                     | 1,170,532                      | 1,487,341                       | 1,097,087                       | 1,440,885                        | 1,261,753                         | —                     |
| Business receipts                                       | 12,104,242                           | *97,791              | 401,616             | 785,517                   | 928,634                   | 807,837                     | 2,736,814                     | 1,159,147                      | 1,458,094                       | 1,073,713                       | 1,416,562                        | 1,238,517                         | —                     |
| Cost of sales and operations                            | 8,710,428                            | *69,544              | 264,200             | 562,547                   | 674,850                   | 576,710                     | 2,027,255                     | 858,467                        | 1,062,021                       | 783,069                         | 976,963                          | 854,802                           | —                     |
| Taxes paid  | 335,467                              | —                    | 14,181              | 25,188                    | 27,968                    | 22,638                      | 73,119                        | 29,752                         | 36,610                          | 29,566                          | 37,200                           | 35,787                            | —                     |
| Interest paid   | 125,748                              | *2,128               | 4,675               | 6,598                     | 9,810                     | 10,629                      | 29,060                        | 11,427                         | 14,898                          | 9,983                           | 15,247                           | 11,293                            | —                     |
| Depreciation  | 206,366                              | *373                 | 9,060               | 13,649                    | 12,391                    | 10,589                      | 37,678                        | 15,975                         | 29,925                          | 23,049                          | 33,020                           | 20,657                            | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans | 81,071                               | *128                 | —                   | *884                      | 5,320                     | 4,215                       | 13,938                        | 5,439                          | 10,410                          | 7,555                           | 17,458                           | 15,724                            | —                     |
| Employee benefit programs                               | 82,829                               | *124                 | *2,804              | *2,565                    | 6,702                     | 4,986                       | 15,464                        | 8,042                          | 9,624                           | 4,503                           | 22,403                           | 5,612                             | —                     |
| Net income (less deficit)                               | 510,125                              | *6,714               | 429                 | *7,185                    | 20,791                    | 20,177                      | 79,303                        | 66,491                         | 92,042                          | 56,146                          | 80,488                           | 94,729                            | —                     |
| Net income  | 618,617                              | *6,844               | 8,930               | 18,043                    | 27,569                    | 30,524                      | 103,342                       | 70,999                         | 94,416                          | 61,602                          | 101,619                          | 94,729                            | —                     |
| Income subject to tax                                   | 584,999                              | *2,832               | *5,447              | 16,942                    | 25,341                    | 27,766                      | 92,509                        | 67,227                         | 92,568                          | 60,595                          | 99,827                           | 93,945                            | —                     |
| Income tax, total                                       | 258,168                              | *1,308               | *925                | 3,648                     | 6,027                     | 9,576                       | 39,788                        | 31,451                         | 43,752                          | 28,911                          | 47,725                           | 45,057                            | —                     |
| Additional tax for tax preferences                      | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit                                      | 3,723                                | —                    | —                   | —                         | —                         | —                           | *12                           | *2                             | 37                              | 1,700                           | 384                              | 1,588                             | —                     |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 15,801                               | *56                  | *293                | 874                       | 1,183                     | 883                         | 2,709                         | 1,557                          | 2,732                           | 1,924                           | 2,215                            | 1,375                             | —                     |
| Work incentive (WIN) credit                             | 107                                  | *8                   | —                   | —                         | —                         | *12                         | *51                           | *6                             | —                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 66,354                               | *48                  | —                   | *1,005                    | *561                      | *417                        | 8,101                         | 4,727                          | 7,123                           | 5,423                           | 15,312                           | 23,637                            | —                     |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Manufacturing: Paper and Allied Products</b>         |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 3,409                                | 23                   | *722                | *437                      | 644                       | 575                         | 749                           | 105                            | 56                              | 31                              | 18                               | 26                                | 23                    |
| Total assets  | 31,205,484                           | —                    | *39,746             | *57,181                   | 235,237                   | 407,481                     | 1,553,113                     | 777,893                        | 891,307                         | 1,104,771                       | 1,233,721                        | 4,168,642                         | 20,736,392            |
| Notes and accounts receivable, net                      | 4,023,671                            | —                    | *15,872             | *20,972                   | 63,228                    | 99,452                      | 370,539                       | 162,374                        | 164,126                         | 189,576                         | 183,565                          | 576,379                           | 2,177,588             |
| Inventories   | 4,611,743                            | —                    | *3,161              | *6,439                    | 54,752                    | 89,763                      | 371,022                       | 184,909                        | 179,141                         | 183,646                         | 175,775                          | 618,600                           | 2,744,535             |
| Cash, Government obligations, and other current assets  | 2,507,661                            | —                    | *7,965              | *12,205                   | 25,334                    | 60,049                      | 200,385                       | 70,332                         | 114,156                         | 94,726                          | 158,893                          | 351,490                           | 1,412,126             |
| Other investments and loans <sup>1</sup>                | 3,985,074                            | —                    | —                   | *1,836                    | *15,764                   | 27,826                      | 64,186                        | 61,091                         | 64,684                          | 150,145                         | 52,672                           | 406,211                           | 3,140,659             |
| Depreciable assets                                      | 23,981,150                           | —                    | *16,781             | *37,272                   | 140,859                   | 240,474                     | 1,040,741                     | 528,060                        | 651,304                         | 832,291                         | 897,006                          | 3,574,995                         | 16,021,367            |
| Less: Accumulated depreciation                          | 11,110,375                           | —                    | *4,397              | *22,290                   | 71,157                    | 131,317                     | 566,425                       | 249,081                        | 312,372                         | 406,411                         | 381,311                          | 1,700,203                         | 7,265,411             |
| Other capital assets less reserves <sup>2</sup>         | 2,653,603                            | —                    | *27                 | *272                      | *3,621                    | 11,654                      | 45,761                        | 14,609                         | 18,550                          | 29,113                          | 105,574                          | 271,767                           | 2,152,655             |
| Accounts and notes payable <sup>1</sup>                 | 3,784,394                            | —                    | *14,842             | *43,146                   | 55,517                    | 116,825                     | 368,202                       | 160,499                        | 142,816                         | 150,788                         | 135,953                          | 430,746                           | 2,165,060             |
| Other current liabilities                               | 2,960,523                            | —                    | *521                | *8,180                    | 23,991                    | 36,058                      | 111,084                       | 54,829                         | 76,837                          | 88,902                          | 89,148                           | 363,104                           | 2,107,869             |
| Mortgages, notes, and bonds payable in one year or more | 6,920,145                            | —                    | *3,910              | *7,024                    | 31,692                    | 55,592                      | 259,553                       | 169,603                        | 161,172                         | 233,096                         | 248,707                          | 882,760                           | 4,867,036             |
| Net worth   | 16,731,868                           | —                    | *19,697             | *—5,858                   | 111,462                   | 185,763                     | 768,745                       | 378,159                        | 477,391                         | 615,296                         | 706,821                          | 2,381,203                         | 11,093,189            |
| Cost of property used for investment credit             | 2,581,960                            | 22,000               | *5,063              | *2,371                    | 19,347                    | 25,586                      | 101,069                       | 62,698                         | 50,906                          | 66,965                          | 58,240                           | 344,185                           | 1,823,530             |
| Total receipts  | 41,740,792                           | 504,140              | *133,821            | *155,387                  | 601,595                   | 966,701                     | 3,476,942                     | 1,464,666                      | 1,756,178                       | 1,678,343                       | 1,615,251                        | 5,163,932                         | 24,223,836            |
| Business receipts                                       | 40,334,080                           | —                    | *132,861            | *152,803                  | 597,452                   | 959,769                     | 3,433,981                     | 1,447,487                      | 1,727,338                       | 1,649,087                       | 1,587,202                        | 4,995,862                         | 23,163,808            |
| Cost of sales and operations                            | 27,938,043                           | 375,425              | *96,794             | *106,909                  | 416,974                   | 682,829                     | 2,538,173                     | 1,099,521                      | 1,321,855                       | 1,251,137                       | 1,115,437                        | 3,358,463                         | 15,574,526            |
| Taxes paid  | 1,044,671                            | 12,708               | *2,847              | *3,412                    | 17,343                    | 26,101                      | 83,410                        | 34,714                         | 37,647                          | 37,884                          | 34,517                           | 147,609                           | 606,479               |
| Interest paid   | 653,127                              | *1,991               | *1,674              | *1,322                    | 5,744                     | 8,541                       | 32,879                        | 18,785                         | 16,096                          | 26,743                          | 25,405                           | 89,819                            | 425,128               |
| Depreciation  | 1,610,901                            | 29,496               | *2,568              | *3,250                    | 11,758                    | 18,802                      | 76,322                        | 32,188                         | 41,200                          | 49,512                          | 64,097                           | 235,792                           | 1,045,916             |
| Pension, profit-sharing, stock bonus, and annuity plans | 475,046                              | —                    | —                   | *476                      | *5,760                    | 5,550                       | 25,504                        | 8,528                          | 10,376                          | 9,675                           | 13,172                           | 56,348                            | 334,482               |
| Employee benefit programs                               | 314,355                              | *3,314               | —                   | *1,450                    | 2,937                     | 5,607                       | 22,201                        | 5,074                          | 10,492                          | 9,508                           | 19,302                           | 49,746                            | 184,724               |
| Net income (less deficit)                               | 2,923,929                            | 34,537               | *1,914              | *8,843                    | 11,823                    | 25,913                      | 134,261                       | 63,592                         | 79,312                          | 67,996                          | 148,725                          | 431,494                           | 1,915,519             |
| Net income  | 3,039,007                            | 34,537               | *5,203              | *8,941                    | 20,766                    | 42,810                      | 151,235                       | 80,628                         | 90,945                          | 81,408                          | 170,124                          | 432,480                           | 1,919,930             |
| Income subject to tax                                   | 2,950,859                            | 34,512               | *4,149              | *5,390                    | 17,022                    | 41,813                      | 134,751                       | 77,179                         | 86,146                          | 75,863                          | 169,260                          | 425,951                           | 1,878,823             |
| Income tax, total                                       | 1,312,898                            | 14,130               | *1,160              | *1,058                    | 4,139                     | 15,287                      | 58,791                        | 36,065                         | 40,640                          | 35,386                          | 80,801                           | 196,325                           | 829,116               |
| Additional tax for tax preferences                      | *6,030                               | *43                  | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | 5,987                 |
| Foreign tax credit                                      | 155,679                              | *8                   | —                   | —                         | —                         | —                           | *25                           | *11                            | 205                             | 629                             | 5,407                            | 10,840                            | 138,554               |
| U.S. possessions tax credit                             | 603                                  | —                    | —                   | —                         | 40                        | —                           | 563                           | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 186,522                              | 3,412                | *143                | *136                      | 822                       | 1,523                       | 6,121                         | 3,837                          | 3,738                           | 4,204                           | 4,317                            | 26,552                            | 131,717               |
| Work incentive (WIN) credit                             | 143                                  | *2                   | —                   | —                         | —                         | *12                         | *40                           | —                              | 15                              | 5                               | 8                                | 4                                 | 57                    |
| Distributions to stockholders except in own stock       | 879,817                              | *13,646              | —                   | —                         | *2,014                    | *1,069                      | 13,585                        | 8,693                          | 11,768                          | 8,523                           | 40,036                           | 76,163                            | 704,320               |
| <b>Manufacturing: Printing and Publishing</b>           |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 30,259                               | 601                  | 17,358              | 5,175                     | 2,873                     | 2,042                       | 1,718                         | 198                            | 140                             | 62                              | 47                               | 25                                | 20                    |
| Total assets  | 30,000,572                           | —                    | 602,722             | 882,281                   | 967,421                   | 1,456,206                   | 3,317,999                     | 1,329,812                      | 2,188,338                       | 2,243,605                       | 3,501,184                        | 4,312,243                         | 9,198,761             |
| Notes and accounts receivable, net                      | 6,403,836                            | —                    | 146,619             | 265,158                   | 240,762                   | 399,142                     | 772,275                       | 307,865                        | 448,804                         | 413,425                         | 686,249                          | 860,452                           | 1,863,085             |
| Inventories   | 3,317,972                            | —                    | 61,389              | 82,172                    | 97,110                    | 176,294                     | 474,261                       | 183,246                        | 286,770                         | 258,415                         | 348,765                          | 507,233                           | 842,317               |
| Cash, Government obligations, and other current assets  | 4,727,370                            | —                    | 106,807             | 151,965                   | 190,998                   | 299,493                     | 593,207                       | 195,894                        | 362,442                         | 297,240                         | 405,954                          | 665,062                           | 1,458,308             |
| Other investments and loans <sup>1</sup>                | 4,390,735                            | —                    | 26,182              | 45,058                    | 82,701                    | 88,661                      | 267,520                       | 138,815                        | 291,367                         | 454,093                         | 703,184                          | 542,995                           | 1,750,159             |
| Depreciable assets                                      | 14,817,924                           | —                    | 458,437             | 619,058                   | 590,668                   | 840,895                     | 1,957,843                     | 715,003                        | 1,072,351                       | 1,140,500                       | 1,576,889                        | 1,928,830                         | 3,917,450             |
| Less: Accumulated depreciation                          | 7,173,199                            | —                    | 248,409             | 332,922                   | 303,000                   | 443,256                     | 1,026,888                     | 362,684                        | 510,779                         | 595,295                         | 738,805                          | 838,258                           | 1,772,903             |
| Other capital assets less reserves <sup>2</sup>         | 1,494,333                            | —                    | 7,276               | 27,137                    | 33,089                    | 38,811                      | 122,187                       | 46,776                         | 100,969                         | 98,309                          | 224,201                          | 217,530                           | 578,048               |
| Accounts and notes payable <sup>1</sup>                 | 4,853,135                            | —                    | 200,126             | 252,367                   | 229,633                   | 322,403                     | 645,879                       | 237,297                        | 348,098                         | 278,223                         | 425,824                          | 402,725                           | 1,510,560             |
| Other current liabilities                               | 3,568,476                            | —                    | 52,591              | 71,794                    | 76,700                    | 176,446                     | 382,346                       | 125,231                        | 210,375                         | 235,313                         | 409,598                          | 615,873                           | 1,212,209             |
| Mortgages, notes, and bonds payable in one year or more | 4,239,240                            | —                    | 128,219             | 168,749                   | 186,455                   | 222,551                     | 520,576                       | 202,548                        | 315,416                         | 307,111                         | 489,766                          | 662,741                           | 1,035,108             |
| Net worth   | 15,320,271                           | —                    | 105,097             | 319,650                   | 370,930                   | 665,592                     | 1,596,014                     | 688,237                        | 1,139,307                       | 1,272,830                       | 1,980,845                        | 2,421,195                         | 4,750,574             |
| Cost of property used for investment credit             | 1,277,752                            | 2,331                | 73,266              | 80,256                    | 69,078                    | 82,010                      | 186,055                       | 70,588                         | 86,750                          | 66,146                          | 113,307                          | 181,511                           | 266,394               |
| Total receipts  | 44,323,860                           | 255,691              | 1,848,823           | 2,172,778                 | 1,983,734                 | 3,017,331                   | 6,238,551                     | 2,158,039                      | 3,250,412                       | 3,129,401                       | 4,111,300                        | 5,609,149                         | 10,548,651            |
| Business receipts                                       | 42,838,853                           | 223,084              | 1,837,267           | 2,139,901                 | 1,952,167                 | 2,964,459                   | 6,099,329                     | 2,100,603                      | 3,160,855                       | 3,043,704                       | 3,989,665                        | 5,376,258                         | 9,951,561             |
| Cost of sales and operations                            | 27,137,049                           | 1,428,083            | 1,128,519           | 1,424,855                 | 1,228,967                 | 1,921,787                   | 4,074,721                     | 1,347,179                      | 2,119,473                       | 1,995,049                       | 2,469,015                        | 3,024,537                         | 6,257,864             |
| Taxes paid  | 1,320,286                            | 6,439                | 57,578              | 61,958                    | 60,806                    | 92,902                      | 179,097                       | 61,009                         | 88,410                          | 91,413                          | 132,297                          | 162,354                           | 326,023               |
| Interest paid   | 512,930                              | 2,306                | 16,290              | 21,837                    | 22,012                    | 27,126                      | 60,496                        | 23,672                         | 35,951                          | 33,954                          | 62,205                           | 97,557                            | 147,324               |
| Depreciation  | 1,161,846                            | 4,902                | 52,977              | 53,421                    | 56,063                    | 66,205                      | 150,800                       | 57,168                         | 81,602                          | 79,897                          | 122,306                          | 147,638                           | 288,867               |
| Pension, profit-sharing, stock bonus, and annuity plans | 524,003                              | 2,647                | 5,426               | 12,694                    | 14,986                    | 24,895                      | 64,344                        | 20,820                         | 36,607                          | 38,869                          | 52,193                           | 78,438                            | 172,084               |
| Employee benefit programs                               | 345,932                              | 1,514                | 19,086              | 7,782                     | 12,954                    | 14,598                      | 50,320                        | 13,608                         | 22,364                          | 20,793                          | 36,893                           | 44,688                            | 101,332               |
| Net income (less deficit)                               | 3,424,246                            | 44,039               | —15,892             | 67,388                    | 55,891                    | 158,099                     | 334,833                       | 154,339                        | 221,873                         | 232,953                         | 447,686                          | 552,191                           | 1,170,846             |
| Net income  | 3,724,173                            | 50,847               | 58,193              | 93,821                    | 105,634                   | 188,639                     | 380,551                       | 162,484                        | 245,605                         | 248,624                         | 453,338                          | 550,900                           | 1,182,637             |
| Income subject to tax                                   | 3,440,700                            | 43,976               | 35,668              | 66,232                    | 71,119                    | 136,420                     | 336,324                       | 153,496                        | 226,465                         | 242,156                         | 426,482                          | 537,247                           | 1,165,115             |
| Income tax, total                                       | 1,554,925                            | 21,794               | 7,497               | 17,360                    | 19,747                    | 50,314                      | 147,166                       | 71,498                         | 107,111                         | 112,552                         | 203,352                          | 257,967                           | 538,567               |
| Additional tax for tax preferences                      | 319                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | 2                               | —                                | —                                 | 317                   |
| Foreign tax credit                                      | 52,313                               | —                    | *(')                | —                         | —                         | *(')                        | *199                          | 949                            | 844                             | 1,479                           | 3,654                            | 15,492                            | 29,696                |
| U.S. possessions tax credit                             | 651                                  | —                    | —                   | —                         | —                         | 137                         | 514                           | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 97,684                               | *171                 | 2,615               | 3,834                     | 3,234                     | 5,468                       | 13,758                        | 5,210                          | 7,222                           | 5,288                           | 9,957                            | 14,970                            | 25,957                |
| Work incentive (WIN) credit                             | 148                                  | *2                   | —                   | —                         | —                         | *65                         | *54                           | *1                             | 7                               | 2                               | 5                                | 5                                 | 7                     |
| Distributions to stockholders except in own stock       | 679,124                              | *1,707               | *5,668              | 14,847                    | 17,560                    | 24,856                      | 47,105                        | 52,899                         | 37,426                          | 36,074                          | 71,109                           | 117,155                           | 252,718               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Chemicals and Allied Products                      |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 9,224                                | 46                   | 3,738               | 1,643                     | 1,050                     | 988                         | 1,195                         | 193                            | 139                             | 80                              | 39                               | 36                                | 77                    |
| Total assets  | 96,515,758                           | —                    | 91,138              | 266,510                   | 373,845                   | 665,972                     | 2,493,195                     | 1,363,870                      | 2,159,218                       | 2,778,058                       | 2,794,986                        | 5,912,511                         | 77,616,455            |
| Notes and accounts receivable, net                                | 17,113,946                           | —                    | 30,083              | 71,625                    | 120,078                   | 179,770                     | 646,867                       | 291,008                        | 509,284                         | 571,930                         | 559,604                          | 949,697                           | 13,184,000            |
| Inventories   | 16,593,750                           | —                    | 14,089              | 58,906                    | 92,852                    | 191,967                     | 608,218                       | 353,177                        | 476,146                         | 573,291                         | 499,500                          | 958,264                           | 12,767,340            |
| Cash, Government obligations, and other current assets            | 7,800,979                            | —                    | 21,953              | 58,223                    | 45,092                    | 77,464                      | 328,206                       | 177,162                        | 297,187                         | 373,367                         | 255,529                          | 1,152,688                         | 5,014,108             |
| Other investments and loans <sup>1</sup>                          | 16,570,962                           | —                    | *3,025              | *13,785                   | 16,680                    | 34,492                      | 147,395                       | 98,128                         | 203,598                         | 301,704                         | 392,029                          | 1,016,395                         | 14,343,731            |
| Depreciable assets  | 62,398,895                           | —                    | 35,873              | 98,150                    | 176,022                   | 325,103                     | 1,188,007                     | 666,332                        | 1,073,321                       | 1,264,517                       | 1,590,697                        | 2,574,645                         | 53,406,228            |
| Less: Accumulated depreciation                                    | 28,632,715                           | —                    | 19,324              | 49,611                    | 91,703                    | 163,550                     | 545,324                       | 298,441                        | 504,527                         | 536,005                         | 654,626                          | 1,059,723                         | 24,709,881            |
| Other capital assets less reserves <sup>2</sup>                   | 2,535,244                            | —                    | *3,872              | 9,799                     | 5,834                     | 15,821                      | 81,694                        | 43,898                         | 45,230                          | 118,059                         | 77,575                           | 146,623                           | 1,986,839             |
| Accounts and notes payable <sup>1</sup>                           | 12,928,710                           | —                    | 28,769              | 86,402                    | 114,195                   | 201,310                     | 680,481                       | 369,992                        | 424,230                         | 407,652                         | 414,005                          | 636,683                           | 9,564,991             |
| Other current liabilities   | 9,269,445                            | —                    | 2,369               | 17,728                    | 30,457                    | 54,945                      | 200,741                       | 129,053                        | 181,484                         | 222,263                         | 225,241                          | 489,431                           | 7,715,733             |
| Mortgages, notes, and bonds payable in one year or more           | 20,956,829                           | —                    | *8,552              | 66,592                    | 77,017                    | 94,291                      | 339,446                       | 154,701                        | 243,215                         | 431,116                         | 554,706                          | 1,013,191                         | 17,974,002            |
| Net worth   | 50,257,255                           | —                    | —9,917              | 68,891                    | 123,826                   | 291,801                     | 1,209,104                     | 653,949                        | 1,248,936                       | 1,661,796                       | 1,484,070                        | 3,663,069                         | 39,861,730            |
| Cost of property used for investment credit                       | 7,781,303                            | 7,968                | 7,223               | 13,758                    | 24,278                    | 45,937                      | 131,369                       | 47,146                         | 104,662                         | 89,200                          | 205,431                          | 317,902                           | 6,786,429             |
| Total receipts  | 117,388,663                          | 573,569              | 293,941             | 580,097                   | 930,172                   | 1,514,155                   | 5,303,812                     | 2,545,364                      | 3,413,711                       | 3,812,104                       | 3,620,679                        | 6,168,367                         | 88,632,692            |
| Business receipts   | 113,332,671                          | 554,506              | 291,999             | 570,410                   | 920,813                   | 1,494,847                   | 5,227,051                     | 2,504,307                      | 3,351,594                       | 3,726,134                       | 3,535,830                        | 5,853,752                         | 85,301,428            |
| Cost of sales and operations                                      | 72,918,086                           | 393,563              | 186,703             | 377,321                   | 695,453                   | 1,051,685                   | 3,799,890                     | 1,768,943                      | 2,228,620                       | 2,349,627                       | 2,436,713                        | 3,495,604                         | 54,133,964            |
| Taxes paid  | 2,466,661                            | 8,468                | 6,239               | 12,851                    | 16,983                    | 30,040                      | 102,083                       | 47,748                         | 66,963                          | 71,308                          | 62,010                           | 132,222                           | 1,909,748             |
| Interest paid   | 1,928,340                            | 6,384                | 1,808               | 5,891                     | 10,579                    | 15,451                      | 48,620                        | 23,760                         | 35,095                          | 39,299                          | 53,445                           | 96,733                            | 1,591,275             |
| Depreciation  | 4,430,009                            | 11,596               | 4,958               | 10,910                    | 14,265                    | 28,115                      | 96,604                        | 47,550                         | 76,101                          | 88,387                          | 104,031                          | 184,200                           | 3,763,292             |
| Pension, profit—sharing, stock bonus, and annuity plans           | 1,710,333                            | *949                 | *5,276              | *2,045                    | *3,630                    | 12,010                      | 33,801                        | 16,909                         | 23,678                          | 24,347                          | 25,125                           | 55,391                            | 1,507,172             |
| Employee benefit programs   | 808,690                              | 2,465                | *1,001              | 3,366                     | 3,069                     | 4,603                       | 19,499                        | 10,787                         | 17,145                          | 18,789                          | 14,596                           | 22,642                            | 690,728               |
| Net income (less deficit)   | 10,699,905                           | 38,883               | —4,317              | 5,436                     | 5,869                     | 68,060                      | 292,185                       | 154,266                        | 309,500                         | 397,015                         | 278,959                          | 933,761                           | 8,220,288             |
| Net income  | 11,071,334                           | 52,247               | 13,606              | 23,923                    | 25,928                    | 77,797                      | 329,257                       | 178,917                        | 348,031                         | 408,021                         | 324,324                          | 978,074                           | 8,311,209             |
| Income subject to tax   | 10,854,226                           | 51,402               | *7,885              | 23,722                    | 24,260                    | 68,424                      | 299,035                       | 166,486                        | 339,149                         | 396,803                         | 317,306                          | 965,741                           | 8,194,013             |
| Income tax, total   | 5,152,333                            | 24,504               | *1,564              | 5,296                     | 7,252                     | 25,380                      | 132,490                       | 78,210                         | 161,037                         | 191,299                         | 151,782                          | 462,418                           | 3,911,101             |
| Additional tax for tax preferences                                | 2,770                                | —                    | —                   | —                         | —                         | —                           | ( <sup>1</sup> )              | —                              | 1                               | 2                               | 36                               | 193                               | 2,538                 |
| Foreign tax credit  | 811,433                              | *6                   | —                   | —                         | —                         | —                           | 362                           | 773                            | 2,835                           | 11,495                          | 11,046                           | 40,794                            | 744,322               |
| U.S. possessions tax credit                                       | 385,328                              | 14,274               | —                   | —                         | 100                       | 221                         | 4,050                         | 3,142                          | 36,248                          | 54,832                          | 11,397                           | 167,328                           | 93,736                |
| Investment credit   | 616,229                              | *134                 | *204                | 603                       | 979                       | 2,514                       | 8,454                         | 3,194                          | 6,066                           | 5,602                           | 11,484                           | 16,594                            | 560,401               |
| Work incentive (WIN) credit                                       | 195                                  | —                    | —                   | —                         | —                         | —                           | *48                           | *4                             | 14                              | 3                               | 8                                | 16                                | 102                   |
| Distributions to stockholders except in own stock                 | 3,059,907                            | *9,031               | *231                | *3,020                    | *1,332                    | 7,698                       | 32,678                        | 21,678                         | 44,442                          | 41,931                          | 66,374                           | 141,361                           | 2,690,131             |
| Manufacturing: Petroleum (Including Integrated) and Coal Products |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 1,182                                | *4                   | *420                | *69                       | *198                      | 171                         | 189                           | 35                             | 23                              | 16                              | 11                               | 13                                | 33                    |
| Total assets  | 190,076,644                          | —                    | *11,089             | *12,693                   | *65,769                   | 119,283                     | 384,382                       | 244,970                        | 362,143                         | 574,583                         | 703,497                          | 2,180,278                         | 185,417,957           |
| Notes and accounts receivable, net                                | 36,342,197                           | —                    | *3,637              | *413                      | *16,038                   | 27,755                      | 124,289                       | 91,055                         | 115,303                         | 104,559                         | 222,283                          | 342,000                           | 35,294,865            |
| Inventories   | 13,504,081                           | —                    | *2,145              | *3                        | *3,993                    | 9,654                       | 58,988                        | 29,156                         | 59,879                          | 103,349                         | 97,478                           | 390,591                           | 12,748,845            |
| Cash, Government obligations, and other current assets            | 14,302,238                           | —                    | *1,787              | *1,458                    | *15,807                   | 26,764                      | 41,381                        | 29,280                         | 38,632                          | 73,065                          | 98,396                           | 241,354                           | 13,734,314            |
| Other investments and loans <sup>1</sup>                          | 43,187,518                           | —                    | —                   | —                         | —                         | *15,208                     | 21,593                        | 20,720                         | 28,003                          | 75,960                          | 63,132                           | 238,182                           | 42,724,720            |
| Depreciable assets  | 101,527,205                          | —                    | *5,030              | *14,802                   | *73,227                   | 93,438                      | 235,535                       | 101,298                        | 222,861                         | 240,664                         | 298,916                          | 1,145,581                         | 99,095,853            |
| Less: Accumulated depreciation                                    | 42,742,432                           | —                    | *2,734              | *3,983                    | *50,457                   | 60,139                      | 116,038                       | 35,841                         | 121,567                         | 78,487                          | 116,273                          | 475,036                           | 41,681,877            |
| Other capital assets less reserves <sup>2</sup>                   | 17,567,611                           | —                    | *938                | —                         | *6,699                    | *3,339                      | 12,460                        | 7,569                          | 10,736                          | 45,078                          | 32,975                           | 275,844                           | 17,171,973            |
| Accounts and notes payable <sup>1</sup>                           | 35,629,203                           | —                    | *3,825              | *2,275                    | *15,180                   | 27,561                      | 142,662                       | 64,035                         | 115,455                         | 139,035                         | 250,533                          | 610,201                           | 34,258,441            |
| Other current liabilities   | 10,995,239                           | —                    | ( <sup>1</sup> )    | *340                      | *1,584                    | 9,725                       | 27,581                        | 38,316                         | 35,412                          | 37,412                          | 54,496                           | 106,364                           | 10,684,009            |
| Mortgages, notes, and bonds payable in one year or more           | 34,430,968                           | —                    | —                   | *6,936                    | *22,209                   | *25,059                     | 58,696                        | 60,153                         | 45,858                          | 86,171                          | 113,062                          | 509,081                           | 33,503,743            |
| Net worth   | 85,515,901                           | —                    | *6,835              | *3,142                    | *24,717                   | 56,054                      | 145,173                       | 77,652                         | 153,759                         | 268,914                         | 280,521                          | 905,619                           | 83,593,515            |
| Cost of property used for investment credit                       | 15,412,828                           | *12,379              | *2,323              | *3,333                    | *8,119                    | 26,913                      | 26,913                        | 24,161                         | 14,228                          | 33,047                          | 35,734                           | 56,011                            | 15,196,580            |
| Total receipts  | 305,812,261                          | *780,100             | *13,341             | *37,494                   | *136,587                  | 249,223                     | 896,441                       | 471,761                        | 957,947                         | 1,026,408                       | 1,827,112                        | 4,055,200                         | 295,360,647           |
| Business receipts   | 295,293,920                          | *776,069             | *13,341             | *37,493                   | *135,696                  | 246,947                     | 878,494                       | 464,362                        | 943,148                         | 986,406                         | 1,808,380                        | 3,999,677                         | 285,003,907           |
| Cost of sales and operations                                      | 246,287,244                          | *577,478             | *7,453              | *26,815                   | *104,907                  | 172,394                     | 702,623                       | 396,031                        | 819,509                         | 832,836                         | 1,626,572                        | 3,467,161                         | 237,553,465           |
| Taxes paid  | 8,040,385                            | *19,008              | *134                | *2,437                    | *2,277                    | 5,456                       | 14,057                        | 5,624                          | 8,217                           | 11,794                          | 12,748                           | 29,445                            | 7,929,188             |
| Interest paid   | 3,041,671                            | *3,403               | *143                | *748                      | *2,211                    | 1,673                       | 7,427                         | 3,657                          | 6,658                           | 9,381                           | 12,601                           | 46,482                            | 2,947,287             |
| Depreciation  | 4,719,811                            | *10,742              | *554                | *1,442                    | *3,399                    | 7,569                       | 21,298                        | 6,767                          | 12,432                          | 18,620                          | 20,981                           | 60,512                            | 4,555,495             |
| Pension, profit—sharing, stock bonus, and annuity plans           | 1,299,152                            | *2,793               | —                   | *32                       | —                         | *1,372                      | 3,529                         | 1,821                          | 2,494                           | 4,208                           | 2,835                            | 8,788                             | 1,271,280             |
| Employee benefit programs   | 437,394                              | *80                  | —                   | *10                       | —                         | *396                        | 1,050                         | 1,371                          | 1,654                           | 1,693                           | 443                              | 1,170                             | 427,909               |
| Net income (less deficit)   | 19,985,814                           | *97,744              | *2,171              | *3,379                    | *—858                     | 14,228                      | 29,220                        | 19,057                         | 39,141                          | 47,943                          | 71,356                           | 132,615                           | 19,529,818            |
| Net income  | 20,290,225                           | *97,744              | *2,171              | *3,379                    | *1,716                    | 14,228                      | 37,588                        | 22,559                         | 40,475                          | 61,675                          | 71,356                           | 140,387                           | 19,796,947            |
| Income subject to tax   | 17,709,308                           | *97,715              | *2,171              | *884                      | *957                      | 13,583                      | 27,059                        | 19,216                         | 33,697                          | 58,915                          | 70,620                           | 136,283                           | 17,248,208            |
| Income tax, total   | 8,417,860                            | *46,884              | *402                | *204                      | *198                      | 5,036                       | 11,818                        | 8,912                          | 16,003                          | 29,723                          | 33,743                           | 62,765                            | 8,202,172             |
| Additional tax for tax preferences                                | 9,346                                | —                    | —                   | —                         | —                         | —                           | ( <sup>1</sup> )              | —                              | 90                              | —                               | —                                | 163                               | 9,093                 |
| Foreign tax credit  | 4,092,822                            | *21,876              | —                   | —                         | —                         | —                           | *4                            | *72                            | 217                             | —                               | 19                               | 868                               | 1,069,766             |
| U.S. possessions tax credit                                       | 15,822                               | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | ( <sup>1</sup> )                | —                                | 15,822                            | 1,025,265             |
| Investment credit   | 1,042,337                            | *1,237               | *134                | *204                      | *66                       | *574                        | 1,891                         | 828                            | 1,128                           | 2,211                           | 2,867                            | 5,932                             | 1,025,265             |
| Work incentive (WIN) credit                                       | 23                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | ( <sup>1</sup> )                | ( <sup>1</sup> )                 | —                                 | 23                    |
| Distributions to stockholders except in own stock                 | 5,239,066                            | —                    | *134                | *115                      | *165                      | *757                        | 8,744                         | *1,405                         | 3,332                           | 59,874                          | 1,327                            | 24,108                            | 5,139,105             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                      | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Rubber and Miscellaneous Plastics Products |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 7,278                                | 529                  | 2,273               | 1,388                     | 1,022                     | 1,020                       | 826                           | 123                            | 53                              | 20                              | 6                                | 10                                | 8                     |
| Total assets  | 18,737,445                           | —                    | 99,218              | 218,957                   | 367,089                   | 719,575                     | 1,661,648                     | 845,756                        | 854,932                         | 766,455                         | 415,453                          | 1,359,310                         | 11,429,052            |
| Notes and accounts receivable, net                        | 4,739,585                            | —                    | 26,950              | 71,357                    | 109,982                   | 188,594                     | 441,830                       | 199,235                        | 201,298                         | 146,522                         | 107,430                          | 378,096                           | 2,868,291             |
| Inventories   | 3,906,436                            | —                    | 15,175              | 41,086                    | 57,392                    | 145,598                     | 374,783                       | 211,259                        | 174,985                         | 178,298                         | 72,321                           | 311,247                           | 2,324,292             |
| Cash, Government obligations, and other current assets    | 1,548,282                            | —                    | 15,567              | 37,803                    | 46,811                    | 102,389                     | 178,508                       | 73,030                         | 71,792                          | 72,442                          | 18,733                           | 117,979                           | 813,229               |
| Other investments and loans                               | 2,103,808                            | —                    | *10,025             | *2,451                    | 17,681                    | 22,048                      | 86,404                        | 49,194                         | 94,074                          | 89,345                          | 99,006                           | 127,858                           | 1,505,722             |
| Depreciable assets  | 10,752,549                           | —                    | 63,765              | 108,068                   | 248,366                   | 492,731                     | 1,033,956                     | 510,550                        | 485,403                         | 405,447                         | 229,362                          | 690,750                           | 6,484,151             |
| Less: Accumulated depreciation                            | 4,909,358                            | —                    | 35,040              | 49,126                    | 120,756                   | 257,667                     | 520,626                       | 224,807                        | 218,678                         | 175,279                         | 122,264                          | 311,705                           | 2,873,410             |
| Other capital assets less reserves                        | 240,542                              | —                    | *1,813              | *1,847                    | *5,326                    | 17,511                      | 31,124                        | 15,159                         | 16,908                          | 20,381                          | 3,963                            | 20,458                            | 106,052               |
| Accounts and notes payable                                | 3,349,074                            | —                    | 23,385              | 72,703                    | 104,952                   | 189,119                     | 477,586                       | 211,309                        | 191,549                         | 129,984                         | 54,608                           | 183,071                           | 1,710,808             |
| Other current liabilities                                 | 2,321,939                            | —                    | 14,440              | 12,837                    | 27,341                    | 62,415                      | 140,767                       | 68,291                         | 79,600                          | 104,116                         | 33,839                           | 150,080                           | 1,628,753             |
| Mortgages, notes, and bonds payable in one year or more   | 4,114,206                            | —                    | *19,556             | 31,188                    | 49,924                    | 139,196                     | 278,684                       | 135,285                        | 130,550                         | 144,353                         | 116,376                          | 374,830                           | 2,694,264             |
| Net worth   | 8,267,654                            | —                    | 17,729              | 77,393                    | 158,560                   | 302,330                     | 714,983                       | 418,395                        | 392,839                         | 345,704                         | 207,752                          | 636,310                           | 4,995,659             |
| Cost of property used for investment credit               | 862,419                              | *3,312               | *7,583              | 22,469                    | 32,258                    | 61,196                      | 116,160                       | 53,327                         | 44,374                          | 30,070                          | 13,814                           | 58,546                            | 419,310               |
| Total receipts  | 28,093,510                           | 195,642              | 264,379             | 626,969                   | 801,079                   | 1,567,794                   | 3,577,709                     | 1,609,189                      | 1,488,443                       | 1,053,928                       | 545,667                          | 1,972,307                         | 14,390,404            |
| Business receipts   | 27,464,285                           | 189,031              | 262,220             | 624,858                   | 787,154                   | 1,556,952                   | 3,546,812                     | 1,586,916                      | 1,454,096                       | 1,034,165                       | 538,403                          | 1,938,025                         | 13,945,653            |
| Cost of sales and operations                              | 19,402,129                           | 156,186              | 168,130             | 395,807                   | 529,727                   | 1,074,704                   | 2,546,727                     | 1,164,369                      | 1,081,476                       | 700,715                         | 406,031                          | 1,326,281                         | 9,851,976             |
| Taxes paid  | 812,476                              | 3,163                | 9,772               | 20,804                    | 21,760                    | 43,239                      | 86,029                        | 37,668                         | 32,519                          | 26,221                          | 10,954                           | 88,947                            | 431,400               |
| Interest paid   | 465,710                              | 1,885                | 3,884               | 5,905                     | 9,192                     | 18,386                      | 38,776                        | 19,143                         | 20,279                          | 20,269                          | 6,923                            | 38,269                            | 282,799               |
| Depreciation  | 869,167                              | 2,903                | 6,864               | 13,104                    | 23,215                    | 45,029                      | 86,718                        | 44,299                         | 39,711                          | 31,659                          | 14,863                           | 54,544                            | 506,258               |
| Pension, profit—sharing, stock bonus, and annuity plans   | 407,019                              | *188                 | —                   | *505                      | *5,772                    | 11,238                      | 21,042                        | 10,442                         | 9,361                           | 10,650                          | 6,374                            | 17,826                            | 313,621               |
| Employee benefit programs                                 | 298,719                              | *429                 | *1,007              | 3,017                     | 4,069                     | 8,946                       | 19,124                        | 10,211                         | 10,506                          | 9,442                           | 6,998                            | 12,254                            | 212,716               |
| Net income (less deficit)                                 | 1,137,918                            | 9,886                | —5,641              | 15,345                    | 28,693                    | 63,112                      | 162,742                       | 80,237                         | 67,727                          | 49,880                          | 30,461                           | 121,262                           | 514,214               |
| Net income  | 1,286,399                            | 12,157               | *13,691             | 27,311                    | 34,261                    | 85,930                      | 195,173                       | 96,972                         | 79,397                          | 62,102                          | 30,461                           | 134,730                           | 514,214               |
| Income subject to tax                                     | 1,210,285                            | *11,882              | *2,643              | 13,979                    | 33,221                    | 66,630                      | 177,633                       | 95,680                         | 74,816                          | 60,199                          | 30,321                           | 134,279                           | 509,002               |
| Income tax, total   | 553,082                              | *6,148               | *490                | 2,953                     | 9,170                     | 23,669                      | 78,107                        | 44,908                         | 35,222                          | 28,592                          | 14,477                           | 64,240                            | 244,906               |
| Additional tax for tax preferences                        | *24                                  | —                    | —                   | —                         | —                         | —                           | (*)                           | —                              | (*)                             | (*)                             | —                                | —                                 | 24                    |
| Foreign tax credit  | 62,962                               | —                    | —                   | —                         | —                         | —                           | *65                           | 438                            | 1,269                           | 2,156                           | 729                              | 1,636                             | 56,669                |
| U.S. possessions tax credit                               | 706                                  | —                    | —                   | —                         | —                         | 274                         | 432                           | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 61,121                               | *195                 | (*)                 | 812                       | 2,435                     | 4,804                       | 7,979                         | 3,491                          | 3,173                           | 2,076                           | 1,591                            | 4,792                             | 29,773                |
| Work incentive (WIN) credit                               | 221                                  | —                    | —                   | *68                       | —                         | *49                         | *17                           | *10                            | 16                              | (*)                             | 2                                | 1                                 | 58                    |
| Distributions to stockholders except in own stock         | 282,412                              | *6,392               | *4,210              | *2,716                    | *871                      | 7,506                       | 9,805                         | 5,135                          | 7,604                           | 7,167                           | 2,610                            | 19,717                            | 208,679               |
| Manufacturing: Leather and Leather Products               |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 2,590                                | **                   | **                  | 759                       | 356                       | 310                         | 352                           | 70                             | 40                              | ***                             | ***                              | 6                                 | 4                     |
| Total assets  | 5,040,981                            | —                    | —                   | 121,210                   | 134,296                   | 216,278                     | 765,798                       | 454,201                        | 730,868                         | 614,005                         | —                                | 1,970,339                         | 1,970,339             |
| Notes and accounts receivable, net                        | 1,275,455                            | —                    | —                   | *20,030                   | 49,247                    | 65,174                      | 232,152                       | 122,164                        | 219,839                         | 108,128                         | —                                | 450,670                           | 450,670               |
| Inventories   | 1,603,616                            | —                    | —                   | 49,063                    | 32,205                    | 72,890                      | 277,289                       | 158,451                        | 257,340                         | 162,273                         | —                                | 586,885                           | 586,885               |
| Cash, Government obligations, and other current assets    | 589,252                              | —                    | —                   | 21,252                    | 26,993                    | 25,774                      | 73,131                        | 51,447                         | 72,749                          | 55,461                          | —                                | 255,632                           | 255,632               |
| Other investments and loans                               | 645,105                              | —                    | —                   | *10,981                   | *10,923                   | 9,988                       | 54,879                        | 26,608                         | 59,983                          | 124,247                         | —                                | 345,249                           | 345,249               |
| Depreciable assets  | 1,601,677                            | —                    | —                   | 32,233                    | 44,358                    | 81,767                      | 263,538                       | 171,297                        | 187,891                         | 202,265                         | —                                | 587,660                           | 587,660               |
| Less: Accumulated depreciation                            | 845,301                              | —                    | —                   | 18,372                    | 30,261                    | 42,840                      | 154,211                       | 86,500                         | 87,859                          | 96,923                          | —                                | 306,653                           | 306,653               |
| Other capital assets less reserves                        | 47,267                               | —                    | —                   | *1,399                    | *357                      | *2,145                      | 9,080                         | 4,078                          | 12,053                          | 6,509                           | —                                | 10,931                            | 10,931                |
| Accounts and notes payable                                | 1,298,223                            | —                    | —                   | 47,989                    | 48,458                    | 85,639                      | 266,754                       | 119,599                        | 146,869                         | 83,475                          | —                                | 491,967                           | 491,967               |
| Other current liabilities                                 | 370,257                              | —                    | —                   | 4,715                     | 7,939                     | 16,181                      | 54,011                        | 28,351                         | 64,698                          | 49,333                          | —                                | 143,481                           | 143,481               |
| Mortgages, notes, and bonds payable in one year or more   | 737,381                              | —                    | —                   | *16,736                   | *2,956                    | *14,454                     | 119,886                       | 36,229                         | 83,725                          | 124,560                         | —                                | 330,862                           | 330,862               |
| Net worth   | 2,471,348                            | —                    | —                   | 44,882                    | 66,795                    | 85,105                      | 294,786                       | 259,749                        | 417,321                         | 309,300                         | —                                | 977,418                           | 977,418               |
| Cost of property used for investment credit               | 116,592                              | **                   | **                  | 8,748                     | *1,137                    | 5,525                       | 25,037                        | 18,419                         | 14,222                          | 14,671                          | —                                | 28,454                            | 28,454                |
| Total receipts  | 10,004,517                           | **                   | **                  | 264,267                   | 397,531                   | 619,015                     | 1,745,526                     | 1,014,376                      | 1,395,824                       | 832,413                         | —                                | 3,621,965                         | 3,621,965             |
| Business receipts   | 9,823,768                            | **                   | **                  | 263,330                   | 396,749                   | 616,211                     | 1,732,098                     | 995,177                        | 1,378,455                       | 811,475                         | —                                | 3,519,789                         | 3,519,789             |
| Cost of sales and operations                              | 7,117,062                            | **                   | **                  | 181,002                   | 315,829                   | 460,477                     | 1,342,674                     | 792,678                        | 999,901                         | 554,135                         | —                                | 2,403,440                         | 2,403,440             |
| Taxes paid  | 250,444                              | **                   | **                  | 9,907                     | 9,160                     | 17,557                      | 42,249                        | 23,393                         | 31,060                          | 28,141                          | —                                | 85,040                            | 85,040                |
| Interest paid   | 131,878                              | **                   | **                  | *2,047                    | 2,776                     | 4,445                       | 17,220                        | 8,321                          | 15,108                          | 16,723                          | —                                | 63,896                            | 63,896                |
| Depreciation  | 117,918                              | **                   | **                  | 2,962                     | 2,801                     | 6,889                       | 19,722                        | 10,762                         | 13,896                          | 16,204                          | —                                | 42,916                            | 42,916                |
| Pension, profit—sharing, stock bonus, and annuity plans   | 58,417                               | **                   | **                  | *670                      | *825                      | 5,647                       | 11,100                        | 4,825                          | 8,372                           | 8,452                           | —                                | 18,241                            | 18,241                |
| Employee benefit programs                                 | 41,060                               | **                   | **                  | *511                      | *1,302                    | *1,317                      | 6,782                         | 3,444                          | 7,801                           | 8,172                           | —                                | 11,351                            | 11,351                |
| Net income (less deficit)                                 | 461,541                              | **                   | **                  | 9,953                     | 9,055                     | 16,758                      | 42,364                        | 29,838                         | 99,489                          | 39,373                          | —                                | 207,181                           | 207,181               |
| Net income  | 498,457                              | **                   | **                  | *12,377                   | 9,517                     | 20,810                      | 60,539                        | 35,947                         | 104,994                         | 39,373                          | —                                | 207,181                           | 207,181               |
| Income subject to tax                                     | 436,727                              | **                   | **                  | *11,294                   | *8,131                    | 16,419                      | 53,583                        | 35,630                         | 98,805                          | 38,048                          | —                                | 175,502                           | 175,502               |
| Income tax, total   | 199,591                              | **                   | **                  | *2,450                    | *3,090                    | 5,692                       | 23,273                        | 16,222                         | 47,009                          | 17,186                          | —                                | 84,252                            | 84,252                |
| Additional tax for tax preferences                        | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit  | 3,464                                | —                    | —                   | —                         | —                         | —                           | —                             | *1,239                         | 270                             | 212                             | —                                | 1,743                             | 1,743                 |
| U.S. possessions tax credit                               | 1,069                                | —                    | —                   | —                         | (*)                       | 9                           | 744                           | 316                            | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 9,106                                | **                   | **                  | *259                      | *33                       | 796                         | 1,610                         | 1,481                          | 1,324                           | 1,196                           | —                                | 2,400                             | 2,400                 |
| Work incentive (WIN) credit                               | 49                                   | —                    | —                   | —                         | —                         | (*)                         | *12                           | *4                             | 6                               | 15                              | —                                | 12                                | 12                    |
| Distributions to stockholders except in own stock         | 83,623                               | —                    | —                   | —                         | *1,584                    | *4,402                      | 4,238                         | 3,185                          | 8,367                           | 15,220                          | —                                | 46,478                            | 46,478                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Stone, Clay, and Glass Products          |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 9,821                                | *12                  | 3,361               | 2,387                     | 1,434                     | 1,261                       | 1,078                         | 128                            | 77                              | 28                              | 16                               | 20                                | 19                    |
| Total assets  | 24,594,786                           | —                    | 111,227             | 424,485                   | 505,041                   | 863,626                     | 2,154,082                     | 867,431                        | 1,243,499                       | 994,677                         | 1,176,763                        | 3,388,792                         | 12,865,163            |
| Notes and accounts receivable, net                      | 4,397,775                            | —                    | 14,651              | 114,345                   | 131,113                   | 208,905                     | 514,643                       | 181,793                        | 211,878                         | 143,075                         | 172,540                          | 463,417                           | 2,241,415             |
| Inventories   | 3,853,443                            | —                    | 21,893              | 63,609                    | 87,070                    | 144,851                     | 367,691                       | 154,363                        | 227,967                         | 162,238                         | 206,063                          | 543,258                           | 1,874,440             |
| Cash, Government obligations, and other current assets  | 2,446,677                            | —                    | 22,609              | 64,881                    | 64,192                    | 108,426                     | 267,311                       | 114,888                        | 123,630                         | 109,528                         | 80,195                           | 282,164                           | 1,208,853             |
| Other investments and loans <sup>1</sup>                | 3,019,031                            | —                    | *6,329              | *18,381                   | 4,690                     | 47,090                      | 127,941                       | 64,780                         | 122,201                         | 114,367                         | 80,683                           | 471,065                           | 1,961,504             |
| Depreciable assets                                      | 18,949,214                           | —                    | 62,491              | 304,605                   | 452,062                   | 766,720                     | 1,713,903                     | 602,695                        | 972,829                         | 785,813                         | 1,044,386                        | 2,690,547                         | 9,553,163             |
| Less: Accumulated depreciation                          | 9,308,499                            | —                    | 34,638              | 168,745                   | 269,503                   | 455,785                     | 978,365                       | 325,792                        | 519,071                         | 380,212                         | 500,137                          | 1,249,421                         | 4,426,830             |
| Other capital assets less reserves <sup>2</sup>         | 846,776                              | —                    | *11,244             | 18,758                    | 18,797                    | 31,872                      | 121,647                       | 44,126                         | 68,717                          | 45,299                          | 55,780                           | 119,444                           | 311,092               |
| Accounts and notes payable <sup>3</sup>                 | 3,500,007                            | —                    | 30,143              | 116,656                   | 143,531                   | 210,402                     | 556,902                       | 170,202                        | 193,938                         | 102,656                         | 107,073                          | 322,970                           | 1,545,534             |
| Other current liabilities                               | 2,461,878                            | —                    | 5,415               | 39,644                    | 36,804                    | 53,714                      | 157,649                       | 62,248                         | 87,094                          | 89,781                          | 104,848                          | 386,427                           | 1,438,254             |
| Mortgages, notes, and bonds payable in one year or more | 5,335,815                            | —                    | —                   | 91,529                    | 72,218                    | 132,097                     | 440,850                       | 127,396                        | 250,036                         | 199,311                         | 279,514                          | 831,484                           | 2,896,120             |
| Net worth   | 12,312,373                           | —                    | 27,105              | 130,635                   | 207,171                   | 411,485                     | 923,609                       | 462,109                        | 682,815                         | 568,604                         | 649,515                          | 1,748,447                         | 6,500,878             |
| Cost of property used for investment credit             | 1,460,442                            | *1,506               | 9,471               | 37,883                    | 42,179                    | 86,485                      | 131,572                       | 48,303                         | 58,755                          | 67,007                          | 83,367                           | 198,127                           | 695,787               |
| Total receipts  | 31,197,579                           | *77,839              | 275,636             | 1,007,643                 | 1,035,499                 | 1,759,309                   | 3,713,971                     | 1,426,702                      | 1,530,061                       | 1,172,692                       | 1,415,563                        | 3,576,605                         | 14,206,059            |
| Business receipts                                       | 30,281,188                           | *74,436              | 269,886             | 995,605                   | 1,023,622                 | 1,727,903                   | 3,642,118                     | 1,383,145                      | 1,488,705                       | 1,136,189                       | 1,389,256                        | 3,495,584                         | 13,654,739            |
| Cost of sales and operations                            | 20,456,037                           | *58,681              | 161,436             | 660,119                   | 698,098                   | 1,190,625                   | 2,626,530                     | 1,037,383                      | 1,034,723                       | 814,052                         | 933,823                          | 2,361,045                         | 8,879,522             |
| Taxes paid  | 931,357                              | *1,550               | 9,198               | 33,687                    | 31,178                    | 54,209                      | 103,989                       | 32,424                         | 44,501                          | 37,284                          | 42,082                           | 107,144                           | 434,111               |
| Interest paid   | 550,234                              | *1,331               | 2,158               | 11,605                    | 16,073                    | 17,665                      | 59,089                        | 18,674                         | 29,130                          | 19,239                          | 26,332                           | 88,383                            | 260,555               |
| Depreciation  | 1,302,444                            | *1,389               | 7,398               | 32,349                    | 38,414                    | 59,724                      | 130,843                       | 48,850                         | 62,076                          | 48,501                          | 72,073                           | 163,110                           | 637,717               |
| Pension, profit-sharing, stock bonus, and annuity plans | 418,100                              | *324                 | —                   | *5,164                    | 4,378                     | 10,694                      | 23,994                        | 8,544                          | 15,323                          | 12,124                          | 12,631                           | 40,920                            | 284,004               |
| Employee benefit programs                               | 307,972                              | *153                 | *1,061              | 3,440                     | 2,999                     | 8,307                       | 17,915                        | 7,562                          | 10,864                          | 11,482                          | 9,153                            | 37,685                            | 197,351               |
| Net income (less deficit)                               | 1,674,726                            | *3,894               | —3,715              | 20,148                    | 27,864                    | 9,055                       | 127,756                       | 64,870                         | 99,103                          | 83,101                          | 81,607                           | 168,499                           | 942,544               |
| Income subject to tax                                   | 1,849,177                            | *5,601               | 6,448               | 40,530                    | 43,388                    | 69,519                      | 179,625                       | 69,816                         | 118,683                         | 95,270                          | 83,449                           | 168,592                           | 950,256               |
| Income tax, total                                       | 1,726,135                            | *5,366               | *4,392              | 27,721                    | 30,641                    | 58,373                      | 156,578                       | 59,821                         | 115,625                         | 93,080                          | 79,219                           | 178,814                           | 916,505               |
| Additional tax for tax preferences                      | 793,822                              | *2,549               | *841                | 6,380                     | 8,271                     | 20,234                      | 67,661                        | 27,462                         | 54,570                          | 43,841                          | 38,032                           | 86,019                            | 437,962               |
| Foreign tax credit                                      | 4,156                                | —                    | —                   | —                         | —                         | *39                         | *284                          | *39                            | 63                              | 322                             | 318                              | 391                               | 2,700                 |
| U.S. possessions tax credit                             | 82,950                               | —                    | —                   | —                         | —                         | —                           | *79                           | *354                           | 1,493                           | 2,469                           | 711                              | 3,844                             | 74,000                |
| Investment credit                                       | 2,776                                | —                    | —                   | —                         | —                         | —                           | 513                           | 552                            | 1,711                           | —                               | —                                | —                                 | —                     |
| Work incentive (WIN) credit                             | 101,574                              | *274                 | *97                 | 1,372                     | 2,164                     | 4,863                       | 8,537                         | 3,007                          | 4,292                           | 3,915                           | 5,431                            | 13,650                            | 53,972                |
| Distributions to stockholders except in own stock       | 319                                  | —                    | —                   | *204                      | —                         | *71                         | *14                           | *15                            | 27                              | 5                               | 2                                | 9                                 | 43                    |
|   | 441,577                              | —                    | *508                | *1,834                    | *924                      | 3,868                       | 18,697                        | 8,363                          | 18,206                          | 14,792                          | 14,939                           | 52,225                            | 307,221               |
| Manufacturing: Primary Metal Industries                 |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 4,159                                | *35                  | 787                 | 965                       | 546                       | 522                         | 868                           | 192                            | 116                             | 32                              | 30                               | 24                                | 42                    |
| Total assets  | 88,465,062                           | —                    | 43,549              | 185,930                   | 198,598                   | 375,986                     | 1,958,547                     | 1,365,174                      | 1,858,991                       | 1,084,426                       | 2,134,153                        | 3,649,726                         | 75,610,042            |
| Notes and accounts receivable, net                      | 12,861,278                           | —                    | *7,727              | 64,414                    | 51,862                    | 95,571                      | 469,398                       | 373,552                        | 398,579                         | 196,678                         | 365,050                          | 587,107                           | 10,251,340            |
| Inventories   | 15,383,477                           | —                    | 8,430               | 38,353                    | 32,223                    | 71,402                      | 457,294                       | 353,547                        | 561,238                         | 266,311                         | 588,078                          | 1,062,253                         | 11,943,348            |
| Cash, Government obligations, and other current assets  | 6,077,964                            | —                    | *6,724              | 45,665                    | 32,820                    | 47,971                      | 222,310                       | 134,836                        | 154,919                         | 107,013                         | 208,800                          | 198,916                           | 4,917,990             |
| Other investments and loans <sup>1</sup>                | 13,706,427                           | —                    | *3,759              | *3,414                    | *7,187                    | 10,825                      | 100,174                       | 46,807                         | 113,469                         | 74,826                          | 154,758                          | 335,818                           | 12,855,390            |
| Depreciable assets                                      | 66,298,820                           | —                    | 27,509              | 64,602                    | 159,330                   | 255,476                     | 1,207,694                     | 802,741                        | 1,075,221                       | 653,395                         | 1,408,596                        | 2,585,147                         | 58,059,109            |
| Less: Accumulated depreciation                          | 33,814,095                           | —                    | 13,672              | 36,742                    | 94,656                    | 125,147                     | 584,980                       | 391,286                        | 507,307                         | 268,264                         | 669,136                          | 1,305,251                         | 29,817,654            |
| Other capital assets less reserves <sup>2</sup>         | 1,633,057                            | —                    | *556                | *2,271                    | 7,845                     | 10,892                      | 49,208                        | 29,082                         | 37,306                          | 21,542                          | 66,348                           | 52,514                            | 1,355,493             |
| Accounts and notes payable <sup>3</sup>                 | 14,195,595                           | —                    | *11,010             | 47,519                    | 21,982                    | 100,084                     | 538,889                       | 404,967                        | 390,816                         | 184,411                         | 360,308                          | 538,684                           | 11,596,925            |
| Other current liabilities                               | 7,356,877                            | —                    | 10,509              | 18,158                    | 18,589                    | 30,748                      | 153,292                       | 113,297                        | 167,038                         | 101,476                         | 207,507                          | 405,889                           | 6,130,374             |
| Mortgages, notes, and bonds payable in one year or more | 18,239,107                           | —                    | *6,171              | *11,089                   | 62,221                    | 43,819                      | 287,799                       | 184,710                        | 258,746                         | 259,238                         | 419,784                          | 815,108                           | 15,890,422            |
| Net worth   | 41,914,853                           | —                    | 10,585              | 98,143                    | 89,622                    | 163,089                     | 923,073                       | 635,539                        | 990,702                         | 501,524                         | 1,031,384                        | 1,773,871                         | 35,697,321            |
| Cost of property used for investment credit             | 5,917,889                            | *2,296               | *3,071              | 8,573                     | 7,292                     | 34,016                      | 122,174                       | 77,234                         | 102,166                         | 72,240                          | 189,629                          | 189,020                           | 5,110,178             |
| Total receipts  | 92,547,893                           | *130,913             | *188,812            | 470,866                   | 467,782                   | 810,695                     | 3,943,267                     | 2,813,383                      | 3,363,107                       | *1,636,494                      | 2,944,896                        | 5,068,806                         | 70,708,872            |
| Business receipts                                       | 90,690,574                           | *129,830             | *188,672            | 465,903                   | 464,388                   | 805,981                     | 3,901,784                     | 2,783,071                      | 3,325,877                       | 1,618,462                       | 2,899,990                        | 4,987,115                         | 69,119,501            |
| Cost of sales and operations                            | 68,147,427                           | *95,763              | *147,286            | 300,910                   | 318,264                   | 598,542                     | 3,001,063                     | 2,196,732                      | 2,579,061                       | 1,243,727                       | 2,150,399                        | 3,610,155                         | 51,905,525            |
| Taxes paid  | 2,255,364                            | *3,011               | 4,670               | 13,138                    | 15,508                    | 25,061                      | 93,607                        | 56,898                         | 73,983                          | 37,809                          | 72,509                           | 125,665                           | 1,733,505             |
| Interest paid   | 2,000,480                            | *896                 | *899                | 1,802                     | 5,641                     | 8,515                       | 39,867                        | 29,197                         | 33,859                          | 28,702                          | 42,827                           | 82,992                            | 1,725,283             |
| Depreciation  | 3,351,266                            | *2,240               | 2,969               | 6,653                     | 10,548                    | 18,900                      | 92,489                        | 60,020                         | 77,328                          | 48,676                          | 91,371                           | 140,913                           | 2,799,549             |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,017,372                            | *837                 | —                   | *285                      | 3,607                     | 5,625                       | 30,625                        | 24,487                         | 38,080                          | 23,475                          | 44,606                           | 106,589                           | 1,739,156             |
| Employee benefit programs                               | 1,197,925                            | *700                 | *970                | *2,169                    | 5,725                     | 8,623                       | 25,724                        | 19,908                         | 26,003                          | 18,339                          | 44,141                           | 82,289                            | 963,334               |
| Net income (less deficit)                               | 2,159,542                            | *14,426              | —13,832             | 32,587                    | 21,404                    | 21,557                      | 197,390                       | 124,048                        | 174,338                         | 67,364                          | 160,644                          | 247,310                           | 1,112,306             |
| Income subject to tax                                   | 2,649,711                            | *14,473              | *496                | 32,721                    | 22,024                    | 35,827                      | 222,935                       | 136,796                        | 200,522                         | 91,410                          | 180,929                          | 303,316                           | 1,408,262             |
| Income tax, total                                       | 2,513,991                            | *14,437              | *399                | 21,503                    | 17,378                    | 32,054                      | 206,764                       | 130,205                        | 197,060                         | 90,349                          | 171,455                          | 296,716                           | 1,335,671             |
| Additional tax for tax preferences                      | 1,195,076                            | *6,555               | *71                 | 4,658                     | 4,606                     | 11,552                      | 91,238                        | 60,051                         | 93,573                          | 42,848                          | 81,748                           | 142,304                           | 655,943               |
| Foreign tax credit                                      | 31,745                               | —                    | —                   | —                         | —                         | —                           | —                             | *10                            | —                               | 35                              | 4                                | 9                                 | 31,687                |
| U.S. possessions tax credit                             | 238,438                              | *71                  | —                   | —                         | —                         | —                           | —                             | *85                            | 898                             | 386                             | 2,066                            | 3,909                             | 231,094               |
| Investment credit                                       | 160,098                              | *191                 | *71                 | 619                       | 482                       | 862                         | 7,323                         | 5,377                          | 8,068                           | 3,782                           | 9,420                            | 12,741                            | 111,233               |
| Work incentive (WIN) credit                             | 160                                  | —                    | —                   | —                         | —                         | —                           | *9                            | *6                             | 26                              | 2                               | 18                               | 1                                 | 98                    |
| Distributions to stockholders except in own stock       | 1,253,866                            | *621                 | —                   | *8,834                    | *3,807                    | 5,045                       | 20,988                        | 11,296                         | 18,601                          | 11,555                          | 36,199                           | 51,457                            | 1,085,463             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Fabricated Metal Products                |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 29,266                               | 525                  | 11,112              | 6,490                     | 3,540                     | 3,421                       | 3,174                         | 527                            | 295                             | 92                              | 37                               | 35                                | 18                    |
| Total assets  | 42,289,775                           | —                    | 454,949             | 1,041,834                 | 1,248,316                 | 2,440,548                   | 6,724,180                     | 3,624,463                      | 4,436,465                       | 3,163,110                       | 2,553,919                        | 4,988,921                         | 11,613,070            |
| Notes and accounts receivable, net                      | 9,055,505                            | —                    | 109,148             | 244,051                   | 352,870                   | 651,418                     | 1,644,161                     | 826,854                        | 971,752                         | 606,255                         | 493,994                          | 931,469                           | 2,223,533             |
| Inventories   | 10,764,947                           | —                    | 63,145              | 171,846                   | 266,679                   | 614,648                     | 1,955,801                     | 1,251,629                      | 1,342,176                       | 887,982                         | 759,413                          | 1,294,511                         | 2,157,117             |
| Cash, Government obligations, and other current assets  | 4,686,805                            | —                    | 82,360              | 187,183                   | 175,506                   | 335,832                     | 873,528                       | 366,322                        | 518,769                         | 355,091                         | 217,447                          | 626,357                           | 948,410               |
| Other investments and loans <sup>1</sup>                | 4,613,693                            | —                    | 8,218               | 63,304                    | 59,717                    | 82,489                      | 327,034                       | 228,796                        | 302,244                         | 414,520                         | 214,588                          | 777,182                           | 2,135,601             |
| Depreciable assets                                      | 21,834,550                           | —                    | 359,574             | 713,962                   | 715,524                   | 1,366,452                   | 3,419,391                     | 1,796,682                      | 2,106,878                       | 1,408,823                       | 1,295,178                        | 2,326,808                         | 6,325,278             |
| Less: Accumulated depreciation                          | 10,639,066                           | —                    | 193,169             | 390,485                   | 368,670                   | 703,316                     | 1,753,569                     | 979,127                        | 983,778                         | 663,862                         | 597,468                          | 1,149,606                         | 2,856,016             |
| Other capital assets less reserves <sup>2</sup>         | 1,016,397                            | —                    | 13,990              | 30,163                    | 25,434                    | 55,176                      | 179,753                       | 75,879                         | 96,140                          | 76,333                          | 87,378                           | 70,022                            | 306,129               |
| Accounts and notes payable                              | 7,804,177                            | —                    | 107,720             | 303,872                   | 359,841                   | 694,291                     | 1,641,349                     | 865,620                        | 847,249                         | 498,932                         | 372,466                          | 507,319                           | 1,605,518             |
| Other current liabilities                               | 4,597,557                            | —                    | 99,578              | 82,331                    | 123,781                   | 232,518                     | 637,436                       | 326,857                        | 451,236                         | 365,022                         | 292,492                          | 594,497                           | 1,391,809             |
| Mortgages, notes, and bonds payable in one year or more | 7,202,999                            | —                    | 116,083             | 182,768                   | 191,472                   | 366,068                     | 882,493                       | 413,605                        | 663,282                         | 527,305                         | 535,857                          | 877,316                           | 2,446,750             |
| Net worth   | 20,656,483                           | —                    | 52,050              | 411,172                   | 501,938                   | 1,013,378                   | 3,326,692                     | 1,912,145                      | 2,282,775                       | 1,681,189                       | 1,305,417                        | 2,778,384                         | 5,391,343             |
| Cost of property used for investment credit             | 1,892,890                            | 3,063                | 40,434              | 61,284                    | 75,316                    | 159,728                     | 331,234                       | 142,785                        | 187,636                         | 117,754                         | 152,973                          | 173,777                           | 446,906               |
| Total receipts  | 68,466,367                           | 593,756              | 1,165,320           | 2,373,013                 | 2,863,181                 | 5,167,106                   | 12,858,868                    | 6,427,209                      | 7,156,381                       | 4,372,693                       | 3,620,378                        | 6,635,215                         | 15,233,247            |
| Business receipts                                       | 67,127,383                           | 580,599              | 1,154,730           | 2,339,510                 | 2,825,789                 | 5,113,321                   | 12,696,973                    | 6,324,130                      | 7,032,303                       | 4,255,695                       | 3,561,276                        | 6,484,496                         | 14,758,561            |
| Cost of sales and operations                            | 47,448,365                           | 458,638              | 726,366             | 1,541,199                 | 1,963,365                 | 3,592,642                   | 9,159,193                     | 4,593,868                      | 4,995,452                       | 3,035,865                       | 2,484,870                        | 4,467,480                         | 10,429,427            |
| Taxes paid  | 1,829,142                            | 10,916               | 40,286              | 75,545                    | 81,433                    | 148,965                     | 348,312                       | 168,371                        | 176,239                         | 120,619                         | 105,194                          | 181,196                           | 372,066               |
| Interest paid   | 871,857                              | 8,666                | 10,619              | 30,490                    | 31,138                    | 56,569                      | 134,204                       | 68,282                         | 87,131                          | 63,179                          | 59,368                           | 83,155                            | 239,056               |
| Depreciation  | 1,663,251                            | 14,510               | 36,301              | 71,198                    | 67,134                    | 110,343                     | 260,200                       | 122,231                        | 157,576                         | 99,045                          | 92,391                           | 161,896                           | 470,426               |
| Pension, profit-sharing, stock bonus, and annuity plans | 826,036                              | 3,828                | 11,573              | 14,343                    | 17,714                    | 40,909                      | 109,457                       | 58,039                         | 74,088                          | 46,472                          | 41,718                           | 108,360                           | 309,535               |
| Employee benefit programs                               | 550,313                              | 7,141                | 5,910               | 12,505                    | 17,799                    | 34,211                      | 85,893                        | 49,196                         | 59,555                          | 30,151                          | 33,202                           | 62,915                            | 151,835               |
| Net income (less deficit)                               | 4,352,916                            | 8,116                | —5,441              | 57,723                    | 102,109                   | 215,565                     | 737,940                       | 394,192                        | 553,995                         | 374,898                         | 307,998                          | 555,733                           | 1,049,991             |
| Net income  | 4,753,067                            | 18,677               | 36,211              | 101,606                   | 130,237                   | 262,227                     | 836,651                       | 446,060                        | 595,590                         | 397,053                         | 310,125                          | 568,639                           | 1,049,991             |
| Income subject to tax                                   | 4,409,388                            | 18,474               | 19,386              | 71,842                    | 86,763                    | 220,777                     | 751,742                       | 422,213                        | 565,822                         | 382,970                         | 288,288                          | 561,622                           | 1,019,489             |
| Income tax, total                                       | 2,005,555                            | 7,925                | 3,767               | 15,455                    | 25,700                    | 80,858                      | 331,555                       | 197,621                        | 267,855                         | 182,772                         | 138,005                          | 268,785                           | 485,257               |
| Additional tax for tax preferences                      | 277                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 33                              | ( <sup>1</sup> )                | 242                              | 2                                 | —                     |
| Foreign tax credit                                      | 128,985                              | —                    | —                   | —                         | 66                        | 36                          | 731                           | 167                            | 3,995                           | 6,466                           | 5,169                            | 12,029                            | 100,326               |
| U.S. possessions tax credit                             | 6,023                                | —                    | —                   | 7                         | 95                        | —                           | 811                           | 889                            | 1,038                           | 3,183                           | —                                | —                                 | —                     |
| Investment credit                                       | 141,799                              | 211                  | 1,093               | 3,716                     | 4,071                     | 9,520                       | 23,363                        | 10,353                         | 14,052                          | 9,860                           | 10,728                           | 14,944                            | 39,888                |
| Work incentive (WIN) credit                             | 342                                  | ( <sup>1</sup> )     | ( <sup>1</sup> )    | —                         | 66                        | 51                          | 67                            | 27                             | 29                              | 19                              | 7                                | 30                                | 46                    |
| Distributions to stockholders except in own stock       | 638,261                              | 3,073                | ( <sup>1</sup> )    | 2,653                     | 6,727                     | 15,429                      | 61,117                        | 31,345                         | 71,342                          | 52,971                          | 33,126                           | 84,617                            | 275,861               |
| Manufacturing: Machinery, Except Electrical             |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 21,972                               | 214                  | 7,878               | 4,392                     | 3,516                     | 2,642                       | 2,483                         | 335                            | 261                             | 95                              | 62                               | 46                                | 48                    |
| Total assets  | 102,684,333                          | —                    | 356,858             | 727,232                   | 1,286,457                 | 1,859,814                   | 5,277,320                     | 2,388,251                      | 4,036,962                       | 3,342,112                       | 4,394,069                        | 7,513,411                         | 71,501,847            |
| Notes and accounts receivable, net                      | 24,070,556                           | —                    | 72,009              | 179,517                   | 312,835                   | 423,747                     | 1,241,920                     | 545,779                        | 967,948                         | 777,122                         | 1,017,995                        | 1,576,532                         | 16,955,152            |
| Inventories   | 25,790,394                           | —                    | 53,097              | 128,730                   | 283,584                   | 526,030                     | 1,788,709                     | 861,127                        | 1,325,874                       | 1,040,589                       | 1,425,096                        | 2,049,668                         | 16,307,890            |
| Cash, Government obligations, and other current assets  | 14,940,731                           | —                    | 51,028              | 137,779                   | 224,290                   | 273,159                     | 663,786                       | 227,043                        | 407,672                         | 380,559                         | 476,040                          | 869,992                           | 11,229,383            |
| Other investments and loans <sup>1</sup>                | 14,153,939                           | —                    | 11,940              | 18,269                    | 51,770                    | 81,727                      | 263,617                       | 136,842                        | 331,631                         | 343,392                         | 448,413                          | 1,096,655                         | 11,369,683            |
| Depreciable assets                                      | 42,420,098                           | —                    | 319,823             | 503,180                   | 836,430                   | 1,044,049                   | 2,374,919                     | 1,017,895                      | 1,577,375                       | 1,302,746                       | 1,611,182                        | 2,789,257                         | 29,043,240            |
| Less: Accumulated depreciation                          | 21,379,837                           | —                    | 172,434             | 269,278                   | 469,010                   | 565,770                     | 1,238,276                     | 510,548                        | 745,192                         | 625,876                         | 740,547                          | 1,265,270                         | 14,777,636            |
| Other capital assets less reserves <sup>2</sup>         | 1,161,708                            | —                    | 13,196              | 16,432                    | 24,961                    | 40,539                      | 123,982                       | 79,173                         | 81,357                          | 72,890                          | 56,683                           | 197,458                           | 455,037               |
| Accounts and notes payable                              | 19,949,536                           | —                    | 85,570              | 185,462                   | 324,843                   | 472,194                     | 1,324,533                     | 568,431                        | 784,043                         | 551,599                         | 767,136                          | 1,195,337                         | 13,690,388            |
| Other current liabilities                               | 11,197,235                           | —                    | 36,608              | 59,642                    | 140,516                   | 198,958                     | 618,162                       | 287,036                        | 502,542                         | 471,354                         | 505,761                          | 960,004                           | 7,416,652             |
| Mortgages, notes, and bonds payable in one year or more | 17,311,630                           | —                    | 90,201              | 117,568                   | 149,467                   | 291,171                     | 723,575                       | 311,230                        | 533,455                         | 425,747                         | 806,484                          | 1,514,096                         | 12,348,636            |
| Net worth   | 47,796,906                           | —                    | 83,235              | 312,142                   | 614,485                   | 811,537                     | 2,413,662                     | 1,169,111                      | 2,047,913                       | 1,782,049                       | 2,193,233                        | 3,476,208                         | 32,893,331            |
| Cost of property used for investment credit             | 3,999,875                            | 8,017                | 37,840              | 61,828                    | 83,903                    | 120,168                     | 270,310                       | 93,239                         | 137,901                         | 121,335                         | 188,248                          | 263,017                           | 2,614,069             |
| Total receipts  | 108,669,843                          | 581,671              | 1,034,742           | 1,579,599                 | 2,488,266                 | 3,622,120                   | 8,880,527                     | 3,482,331                      | 5,570,206                       | 4,259,538                       | 5,657,929                        | 8,715,504                         | 62,797,410            |
| Business receipts                                       | 100,710,559                          | 560,937              | 1,023,108           | 1,562,090                 | 2,445,697                 | 3,574,875                   | 8,721,947                     | 3,408,457                      | 5,412,932                       | 4,093,708                       | 5,378,706                        | 8,369,829                         | 56,158,273            |
| Cost of sales and operations                            | 63,610,855                           | 385,275              | 665,574             | 976,441                   | 1,594,767                 | 2,471,535                   | 5,998,850                     | 2,302,442                      | 3,653,320                       | 2,652,458                       | 3,713,566                        | 5,719,452                         | 33,477,175            |
| Taxes paid  | 3,165,359                            | 17,916               | 36,602              | 54,258                    | 81,652                    | 104,803                     | 243,071                       | 90,215                         | 142,303                         | 117,354                         | 152,674                          | 224,610                           | 1,899,901             |
| Interest paid   | 2,323,012                            | 9,060                | 13,248              | 17,960                    | 29,234                    | 42,764                      | 114,482                       | 45,635                         | 79,714                          | 62,084                          | 93,570                           | 1,618,290                         | 1,899,901             |
| Depreciation  | 4,036,416                            | 12,362               | 32,576              | 44,828                    | 72,073                    | 86,900                      | 176,097                       | 69,961                         | 126,643                         | 103,909                         | 149,824                          | 214,313                           | 2,946,930             |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,669,233                            | 8,264                | 2,262               | 5,237                     | 17,964                    | 31,053                      | 82,623                        | 31,263                         | 57,666                          | 53,429                          | 61,203                           | 112,264                           | 1,206,005             |
| Employee benefit programs                               | 1,124,312                            | 4,475                | 4,472               | 12,330                    | 17,265                    | 26,907                      | 63,587                        | 23,319                         | 47,272                          | 39,581                          | 52,367                           | 92,629                            | 740,108               |
| Net income (less deficit)                               | 9,875,706                            | 32,740               | 13,637              | 62,543                    | 113,399                   | 158,783                     | 489,080                       | 280,639                        | 446,394                         | 443,710                         | 432,666                          | 544,855                           | 6,857,260             |
| Net income  | 10,223,590                           | 41,520               | 35,843              | 89,195                    | 139,197                   | 184,008                     | 579,456                       | 307,681                        | 482,092                         | 460,484                         | 442,882                          | 584,697                           | 6,876,535             |
| Income subject to tax                                   | 9,877,743                            | 40,594               | 20,899              | 67,849                    | 116,371                   | 164,389                     | 520,687                       | 290,296                        | 447,985                         | 444,571                         | 399,677                          | 567,342                           | 6,797,083             |
| Income tax, total                                       | 4,649,194                            | 18,935               | 4,546               | 15,040                    | 34,104                    | 57,102                      | 228,379                       | 135,888                        | 212,286                         | 212,075                         | 190,459                          | 271,297                           | 3,269,083             |
| Additional tax for tax preferences                      | 3,072                                | —                    | —                   | —                         | —                         | —                           | 79                            | 3                              | 1                               | 152                             | 57                               | 230                               | 2,550                 |
| Foreign tax credit                                      | 1,079,397                            | 5,776                | —                   | —                         | 66                        | 12                          | 911                           | 1,001                          | 4,881                           | 11,963                          | 18,291                           | 41,945                            | 994,551               |
| U.S. possessions tax credit                             | 6,197                                | —                    | —                   | —                         | —                         | 91                          | 671                           | 815                            | 4,620                           | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 308,694                              | 1,532                | 1,792               | 5,101                     | 5,498                     | 6,714                       | 16,249                        | 6,984                          | 10,127                          | 8,507                           | 11,252                           | 17,172                            | 217,766               |
| Work incentive (WIN) credit                             | 360                                  | ( <sup>1</sup> )     | ( <sup>1</sup> )    | —                         | 99                        | 50                          | 50                            | 3                              | 14                              | 39                              | 32                               | 33                                | 89                    |
| Distributions to stockholders except in own stock       | 2,395,858                            | 12,503               | 680                 | 3,780                     | 5,711                     | 8,812                       | 40,888                        | 22,119                         | 36,190                          | 50,661                          | 57,061                           | 87,179                            | 2,070,274             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Electrical and Electronic Equipment      |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 11,054                               | 188                  | 4,238               | 1,862                     | 1,536                     | 1,112                       | 1,448                         | 273                            | 185                             | 85                              | 48                               | 43                                | 36                    |
| Total assets  | 84,312,312                           | —                    | 132,576             | 295,054                   | 552,760                   | 779,664                     | 3,030,787                     | 1,966,329                      | 2,881,364                       | 3,040,932                       | 3,263,172                        | 6,394,002                         | 61,975,672            |
| Notes and accounts receivable, net                      | 20,501,166                           | —                    | 41,329              | 62,498                    | 160,649                   | 262,801                     | 842,061                       | 448,272                        | 678,495                         | 710,716                         | 700,633                          | 1,435,816                         | 15,157,896            |
| Inventories   | 16,908,632                           | —                    | 32,787              | 62,650                    | 159,265                   | 233,745                     | 974,543                       | 621,857                        | 805,802                         | 934,009                         | 876,092                          | 1,646,800                         | 10,561,082            |
| Cash, Government obligations, and other current assets  | 12,027,209                           | —                    | 29,294              | 52,257                    | 92,648                    | 98,976                      | 395,969                       | 240,070                        | 382,119                         | 409,856                         | 468,452                          | 747,899                           | 9,109,669             |
| Other investments and loans <sup>1</sup>                | 13,884,979                           | —                    | *1,664              | 13,747                    | 19,156                    | 43,221                      | 149,653                       | 191,781                        | 292,416                         | 252,789                         | 460,314                          | 737,034                           | 11,723,204            |
| Depreciable assets                                      | 31,823,169                           | —                    | 38,910              | 154,445                   | 222,186                   | 279,409                     | 1,056,599                     | 708,140                        | 1,108,701                       | 1,223,735                       | 1,138,057                        | 2,832,004                         | 23,060,983            |
| Less: Accumulated depreciation                          | 15,116,277                           | —                    | 18,233              | 64,561                    | 116,943                   | 159,475                     | 509,498                       | 317,761                        | 515,297                         | 597,616                         | 565,330                          | 1,398,362                         | 10,853,201            |
| Other capital assets less reserves <sup>2</sup>         | 914,623                              | —                    | *5,139              | 6,429                     | 7,907                     | 9,941                       | 69,050                        | 43,526                         | 57,552                          | 57,150                          | 41,996                           | 128,517                           | 487,416               |
| Accounts and notes payable <sup>1</sup>                 | 17,909,170                           | —                    | 62,166              | 123,755                   | 187,609                   | 244,635                     | 843,909                       | 423,291                        | 582,993                         | 527,128                         | 553,679                          | 894,303                           | 13,465,702            |
| Other current liabilities                               | 11,038,024                           | —                    | 13,018              | 23,864                    | 62,187                    | 93,739                      | 377,741                       | 209,146                        | 302,403                         | 310,214                         | 409,946                          | 709,651                           | 8,526,115             |
| Mortgages, notes, and bonds payable in one year or more | 14,349,385                           | —                    | *8,256              | 58,051                    | 62,814                    | 92,656                      | 409,174                       | 250,889                        | 488,572                         | 387,771                         | 531,659                          | 1,019,271                         | 11,040,272            |
| Net worth   | 34,235,787                           | —                    | 19,921              | 55,634                    | 198,268                   | 302,077                     | 1,261,546                     | 1,004,791                      | 1,364,541                       | 1,713,068                       | 1,684,420                        | 3,575,438                         | 23,056,083            |
| Cost of property used for investment credit             | 4,117,302                            | 9,640                | 6,473               | 21,413                    | 42,632                    | 35,393                      | 141,125                       | 74,308                         | 109,245                         | 134,781                         | 109,677                          | 307,770                           | 3,124,845             |
| Total receipts  | 96,541,785                           | 353,833              | 417,555             | 535,911                   | 1,314,122                 | 1,698,924                   | 5,725,815                     | 2,914,829                      | 3,968,541                       | 4,526,386                       | 4,202,437                        | 8,851,197                         | 62,032,235            |
| Business receipts                                       | 92,244,477                           | 336,658              | 390,141             | 515,165                   | 1,294,896                 | 1,677,872                   | 5,610,102                     | 2,833,063                      | 3,861,300                       | 4,393,402                       | 4,069,019                        | 8,499,953                         | 58,762,906            |
| Cost of sales and operations                            | 62,132,955                           | 234,309              | 274,709             | 348,341                   | 831,941                   | 1,145,808                   | 3,863,601                     | 1,895,113                      | 2,588,771                       | 3,045,736                       | 2,738,851                        | 5,758,953                         | 39,406,822            |
| Taxes paid  | 2,600,456                            | 8,232                | 11,383              | 19,577                    | 37,044                    | 50,395                      | 151,171                       | 82,035                         | 108,099                         | 110,589                         | 112,535                          | 222,416                           | 1,686,980             |
| Interest paid   | 1,880,744                            | 6,792                | 4,057               | 8,549                     | 11,839                    | 17,458                      | 69,033                        | 37,295                         | 59,495                          | 56,270                          | 64,407                           | 118,587                           | 1,426,962             |
| Depreciation  | 3,120,209                            | 9,441                | 5,437               | 14,800                    | 26,422                    | 23,218                      | 100,682                       | 63,758                         | 97,173                          | 105,789                         | 121,682                          | 225,678                           | 2,326,129             |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,308,010                            | 2,864                | —                   | *2,386                    | 8,551                     | 12,847                      | 41,058                        | 19,546                         | 29,077                          | 34,197                          | 39,349                           | 82,878                            | 1,035,257             |
| Employee benefit programs                               | 1,013,926                            | 1,998                | *1,023              | 5,025                     | 5,214                     | 9,030                       | 27,545                        | 14,176                         | 23,904                          | 31,143                          | 32,444                           | 95,590                            | 766,834               |
| Net income (less deficit)                               | 6,047,061                            | 25,880               | —5,398              | —42,580                   | 24,368                    | 33,847                      | 293,529                       | 214,256                        | 241,826                         | 334,705                         | 288,382                          | 795,248                           | 3,842,998             |
| Net income  | 6,602,417                            | 28,352               | 16,004              | 21,090                    | 57,580                    | 74,992                      | 382,020                       | 250,114                        | 316,076                         | 363,553                         | 321,139                          | 809,231                           | 3,962,266             |
| Income subject to tax                                   | 6,188,884                            | 25,070               | *6,275              | 13,858                    | 45,087                    | 65,633                      | 319,982                       | 222,682                        | 280,811                         | 316,664                         | 290,679                          | 759,330                           | 3,842,813             |
| Income tax, total                                       | 2,878,589                            | 11,651               | *1,111              | 2,966                     | 12,663                    | 23,376                      | 141,980                       | 104,323                        | 133,376                         | 151,359                         | 138,911                          | 356,912                           | 1,799,961             |
| Additional tax for tax preferences                      | *5,222                               | —                    | —                   | —                         | —                         | —                           | *72                           | —                              | ( <sup>1</sup> )                | —                               | —                                | 20                                | 5,130                 |
| Foreign tax credit                                      | 454,859                              | *25                  | —                   | —                         | ( <sup>1</sup> )          | *39                         | 881                           | 774                            | 3,093                           | 7,082                           | 9,962                            | 28,624                            | 404,379               |
| U.S. possessions tax credit                             | 148,519                              | 1,448                | 19                  | 37                        | 147                       | 355                         | 7,117                         | 20,190                         | 25,126                          | 15,459                          | 19,154                           | 59,467                            | —                     |
| Investment credit                                       | 280,424                              | 856                  | *67                 | 840                       | 2,062                     | 2,347                       | 8,311                         | 4,782                          | 6,944                           | 8,159                           | 6,633                            | 23,486                            | 215,937               |
| Work incentive (WIN) credit                             | 452                                  | *4                   | —                   | ( <sup>1</sup> )          | —                         | *26                         | 59                            | *13                            | 28                              | 20                              | 15                               | 31                                | 256                   |
| Distributions to stockholders except in own stock       | 1,429,957                            | *1,899               | *1                  | *4,278                    | *7,912                    | 7,320                       | 16,797                        | 16,421                         | 19,167                          | 48,962                          | 41,432                           | 121,550                           | 1,144,218             |
| Manufacturing: Motor Vehicles and Equipment             |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 2,716                                | *151                 | *658                | *538                      | 391                       | 366                         | 404                           | 87                             | 50                              | 26                              | 9                                | 16                                | 20                    |
| Total assets  | 90,155,994                           | —                    | *24,838             | *69,242                   | 134,708                   | 252,740                     | 831,653                       | 594,086                        | 817,623                         | 905,567                         | 643,478                          | 2,711,924                         | 83,170,135            |
| Notes and accounts receivable, net                      | 38,748,704                           | —                    | *6,376              | *14,029                   | 30,870                    | 68,883                      | 220,485                       | 136,095                        | 189,049                         | 207,888                         | 143,171                          | 550,714                           | 37,181,144            |
| Inventories   | 14,859,250                           | —                    | *9,428              | *25,351                   | 35,838                    | 91,233                      | 287,356                       | 201,818                        | 274,402                         | 279,812                         | 192,580                          | 723,206                           | 12,737,956            |
| Cash, Government obligations, and other current assets  | 8,105,957                            | —                    | *3,469              | *7,433                    | 31,338                    | 26,094                      | 89,849                        | 69,944                         | 92,249                          | 87,467                          | 62,220                           | 296,536                           | 7,339,808             |
| Other investments and loans <sup>1</sup>                | 10,012,261                           | —                    | —                   | *2,077                    | *4,905                    | 3,984                       | 23,746                        | 31,816                         | 69,578                          | 85,608                          | 65,464                           | 480,117                           | 9,244,966             |
| Depreciable assets                                      | 34,936,228                           | —                    | *5,371              | *43,988                   | 45,093                    | 96,271                      | 327,940                       | 255,416                        | 296,966                         | 360,808                         | 300,640                          | 1,162,738                         | 32,040,997            |
| Less: Accumulated depreciation                          | 20,338,844                           | —                    | *2,435              | *28,087                   | 19,880                    | 43,618                      | 147,155                       | 120,079                        | 139,488                         | 147,435                         | 147,798                          | 623,605                           | 18,919,264            |
| Other capital assets less reserves <sup>2</sup>         | 844,463                              | —                    | —                   | *1,807                    | *4,419                    | 6,696                       | 19,375                        | 13,696                         | 22,269                          | 21,448                          | 8,872                            | 33,157                            | 712,724               |
| Accounts and notes payable <sup>1</sup>                 | 26,890,861                           | —                    | *10,793             | *25,231                   | 27,641                    | 79,197                      | 275,445                       | 183,985                        | 171,503                         | 171,391                         | 71,701                           | 356,120                           | 25,517,854            |
| Other current liabilities                               | 8,959,840                            | —                    | *924                | *6,360                    | 14,424                    | 23,583                      | 88,195                        | 71,214                         | 92,704                          | 100,024                         | 75,424                           | 463,813                           | 8,023,175             |
| Mortgages, notes, and bonds payable in one year or more | 19,932,593                           | —                    | *1,265              | *11,287                   | *6,618                    | 52,220                      | 101,161                       | 77,598                         | 122,133                         | 173,144                         | 109,937                          | 385,973                           | 18,888,257            |
| Net worth   | 32,509,553                           | —                    | *8,662              | *6,254                    | 75,486                    | 88,883                      | 352,513                       | 247,205                        | 409,607                         | 432,154                         | 378,316                          | 1,409,591                         | 29,118,206            |
| Cost of property used for investment credit             | 3,666,874                            | *3,938               | *1,447              | *2,160                    | *7,713                    | 10,375                      | 45,265                        | 24,497                         | 27,062                          | 28,282                          | 26,713                           | 80,352                            | 3,409,070             |
| Total receipts  | 114,164,092                          | *111,133             | *168,552            | *189,913                  | 263,820                   | 626,281                     | 1,957,929                     | 1,238,313                      | 1,394,181                       | 1,469,202                       | 937,704                          | 3,565,799                         | 102,241,265           |
| Business receipts                                       | 110,443,485                          | *109,769             | *168,066            | *188,835                  | 260,677                   | 606,618                     | 1,933,426                     | 1,221,373                      | 1,375,549                       | 1,444,062                       | 916,246                          | 3,456,444                         | 98,762,420            |
| Cost of sales and operations                            | 80,429,048                           | *88,182              | *144,750            | *132,756                  | 172,806                   | 473,607                     | 1,442,077                     | 924,932                        | 1,000,744                       | 1,078,812                       | 626,386                          | 2,316,646                         | 72,027,350            |
| Taxes paid  | 2,911,917                            | *1,360               | *2,051              | *5,809                    | 7,712                     | 16,143                      | 48,158                        | 27,410                         | 34,659                          | 36,413                          | 30,556                           | 99,583                            | 2,602,063             |
| Interest paid   | 2,628,749                            | *1,107               | *1,006              | *3,183                    | 1,169                     | 5,963                       | 20,348                        | 16,325                         | 13,792                          | 15,424                          | 10,626                           | 51,421                            | 2,488,385             |
| Depreciation  | 3,231,929                            | *1,634               | *975                | *4,538                    | 3,794                     | 8,394                       | 28,174                        | 21,773                         | 23,558                          | 26,756                          | 21,946                           | 88,463                            | 3,001,924             |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,513,323                            | *399                 | —                   | —                         | *3,327                    | *3,217                      | 10,357                        | 9,210                          | 11,164                          | 14,499                          | 14,259                           | 36,072                            | 2,410,819             |
| Employee benefit programs                               | 2,791,953                            | *129                 | —                   | *2,144                    | *699                      | 2,845                       | 10,759                        | 6,322                          | 10,582                          | 10,973                          | 12,614                           | 42,828                            | 2,692,058             |
| Net income (less deficit)                               | 7,967,312                            | *4,669               | *—7,201             | *—3,832                   | 16,974                    | 15,004                      | 92,426                        | 63,439                         | 112,659                         | 107,296                         | 77,378                           | 268,270                           | 7,220,230             |
| Net income  | 8,048,122                            | *4,823               | *196                | *6,471                    | 18,197                    | 29,999                      | 99,410                        | 87,763                         | 117,310                         | 108,859                         | 77,378                           | 268,270                           | 7,229,446             |
| Income subject to tax                                   | 7,763,545                            | *4,823               | *98                 | *5,896                    | 17,999                    | 24,532                      | 93,325                        | 85,459                         | 115,367                         | 105,213                         | 72,343                           | 258,532                           | 6,979,958             |
| Income tax, total                                       | 3,711,958                            | *2,285               | ( <sup>1</sup> )    | *1,273                    | *5,719                    | 9,173                       | 40,746                        | 39,926                         | 54,861                          | 50,075                          | 34,437                           | 123,277                           | 3,350,186             |
| Additional tax for tax preferences                      | *816                                 | —                    | —                   | —                         | —                         | —                           | *16                           | —                              | —                               | —                               | —                                | 8                                 | 792                   |
| Foreign tax credit                                      | 405,462                              | *3                   | —                   | —                         | —                         | —                           | ( <sup>1</sup> )              | *193                           | 761                             | 2,639                           | 3,507                            | 8,115                             | 390,244               |
| U.S. possessions tax credit                             | 334                                  | —                    | —                   | —                         | —                         | —                           | 334                           | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 290,795                              | *210                 | ( <sup>1</sup> )    | *134                      | *824                      | 624                         | 3,014                         | 2,059                          | 2,271                           | 2,467                           | 2,225                            | 7,790                             | 269,177               |
| Work incentive (WIN) credit                             | 2,475                                | —                    | —                   | —                         | —                         | *26                         | *44                           | *13                            | 4                               | 13                              | 22                               | 19                                | 2,334                 |
| Distributions to stockholders except in own stock       | 2,240,921                            | *129                 | —                   | —                         | *2,372                    | *352                        | 3,937                         | 5,006                          | 9,513                           | 10,144                          | 13,756                           | 31,971                            | 2,163,741             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Manufacturing: Transportation Equipment, Except Motor Vehicles</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 3,282                                | *12                  | *1,068              | 601                       | 654                       | 341                         | 439                           | 64                             | 39                              | 19                              | 13                               | 7                                 | 25                    |
| Total assets  | 33,455,298                           | —                    | *40,531             | 112,186                   | 253,946                   | 222,062                     | 869,201                       | 423,829                        | 583,860                         | 680,994                         | 943,552                          | 976,095                           | 28,349,042            |
| Notes and accounts receivable, net                                    | 6,691,432                            | —                    | *3,707              | *11,091                   | 53,416                    | 40,260                      | 188,995                       | 79,111                         | 136,177                         | 141,077                         | 190,332                          | 174,214                           | 5,673,052             |
| Inventories   | 9,463,256                            | —                    | *17,895             | 46,935                    | 70,507                    | 70,973                      | 284,537                       | 133,921                        | 167,381                         | 186,031                         | 350,226                          | 333,133                           | 7,801,717             |
| Cash, Government obligations, and other current assets                | 3,927,269                            | —                    | *10,338             | 12,274                    | 47,481                    | 26,442                      | 113,180                       | 56,752                         | 69,956                          | 81,126                          | 113,426                          | 70,306                            | 3,325,988             |
| Other investments and loans <sup>1</sup>                              | 5,102,492                            | —                    | —                   | *5,002                    | *4,887                    | 13,171                      | 32,970                        | 15,053                         | 37,724                          | 37,926                          | 49,260                           | 173,904                           | 4,732,595             |
| Depreciable assets  | 14,723,488                           | —                    | *18,994             | 54,054                    | 104,080                   | 104,507                     | 399,570                       | 206,492                        | 281,170                         | 341,314                         | 358,320                          | 296,816                           | 12,558,171            |
| Less: Accumulated depreciation  | 7,980,237                            | —                    | *10,738             | *19,823                   | 38,513                    | 52,817                      | 197,902                       | 94,087                         | 135,709                         | 143,541                         | 154,710                          | 149,766                           | 6,982,631             |
| Other capital assets less reserves <sup>2</sup>                       | 646,643                              | —                    | *109                | *1,548                    | 5,567                     | 6,903                       | 35,621                        | 19,894                         | 9,300                           | 9,775                           | 15,278                           | 19,745                            | 522,903               |
| Accounts and notes payable <sup>3</sup>                               | 8,265,273                            | —                    | *8,964              | *38,124                   | 83,278                    | 63,117                      | 273,912                       | 102,923                        | 152,197                         | 130,206                         | 233,005                          | 130,691                           | 7,048,856             |
| Other current liabilities   | 5,081,898                            | —                    | *874                | 13,013                    | 27,448                    | 21,587                      | 80,823                        | 56,491                         | 67,573                          | 89,969                          | 93,591                           | 130,912                           | 4,499,617             |
| Mortgages, notes, and bonds payable in one year or more               | 5,187,608                            | —                    | *561                | *18,306                   | 69,297                    | 37,158                      | 132,451                       | 70,004                         | 108,659                         | 122,970                         | 144,212                          | 251,088                           | 4,232,902             |
| Net worth   | 12,986,347                           | —                    | *12,812             | 32,149                    | 72,984                    | 339,058                     | 185,370                       | 218,143                        | 283,231                         | 402,237                         | 433,147                          | 10,967,692                        | 1,186,669             |
| Cost of property used for investment credit                           | 1,410,828                            | *290                 | *486                | *11,548                   | 20,163                    | 9,463                       | 53,750                        | 13,254                         | 19,513                          | 41,978                          | 36,003                           | 17,711                            | 1,186,669             |
| Total receipts  | 47,417,861                           | *42,354              | *57,389             | 315,674                   | 726,538                   | 575,714                     | 1,896,383                     | 769,699                        | 1,024,331                       | 1,019,540                       | 1,647,860                        | 1,507,262                         | 37,835,117            |
| Business receipts   | 45,607,209                           | *40,465              | *57,142             | 312,312                   | 703,964                   | 567,315                     | 1,861,194                     | 752,569                        | 1,005,249                       | 1,002,785                       | 1,610,454                        | 1,468,470                         | 36,225,290            |
| Cost of sales and operations  | 34,412,386                           | *35,566              | *35,826             | 245,819                   | 509,618                   | 436,568                     | 1,413,164                     | 548,141                        | 760,504                         | 757,299                         | 1,263,427                        | 1,132,757                         | 27,275,687            |
| Taxes paid  | 1,308,774                            | *644                 | *2,702              | 8,594                     | 19,855                    | 15,640                      | 48,045                        | 19,413                         | 25,532                          | 25,281                          | 39,356                           | 43,947                            | 1,059,765             |
| Interest paid   | 676,293                              | *1,262               | *57                 | *3,207                    | 8,240                     | 5,524                       | 20,973                        | 10,090                         | 14,574                          | 11,193                          | 21,210                           | 23,500                            | 556,463               |
| Depreciation  | 1,011,228                            | *1,015               | *1,593              | *4,629                    | 10,697                    | 8,477                       | 32,634                        | 16,428                         | 23,011                          | 29,736                          | 27,459                           | 24,167                            | 831,382               |
| Pension, profit-sharing, stock bonus, and annuity plans               | 934,292                              | —                    | —                   | *804                      | *4,666                    | *884                        | 7,747                         | 4,659                          | 7,146                           | 12,925                          | 14,953                           | 13,758                            | 866,750               |
| Employee benefit programs   | 623,351                              | *357                 | *46                 | *1,791                    | *2,229                    | 2,341                       | 6,179                         | 2,608                          | 8,556                           | 8,484                           | 15,780                           | 10,994                            | 563,986               |
| Net income (less deficit)   | 1,195,410                            | *2,869               | *8,504              | —2,996                    | 8,215                     | 13,689                      | 83,929                        | 43,057                         | 43,261                          | 44,323                          | 79,143                           | 90,091                            | 807,371               |
| Net income  | 1,736,705                            | *4,311               | *1,787              | 19,791                    | 20,031                    | 102,706                     | 52,562                        | 54,589                         | 57,089                          | 100,210                         | 94,300                           | 1,220,512                         | 1,220,512             |
| Income subject to tax   | 1,614,782                            | *4,275               | *143                | 14,313                    | 18,233                    | 91,570                      | 51,037                        | 52,014                         | 54,204                          | 100,086                         | 93,971                           | 1,126,322                         | 1,126,322             |
| Income tax, total   | 760,175                              | *2,052               | *1,764              | 3,813                     | 6,392                     | 39,907                      | 23,908                        | 23,908                         | 25,872                          | 47,906                          | 45,049                           | 538,922                           | 538,922               |
| Additional tax for tax preferences                                    | 2,180                                | —                    | —                   | —                         | —                         | 27                          | 12                            | —                              | —                               | —                               | —                                | —                                 | 2,141                 |
| Foreign tax credit  | 49,534                               | —                    | —                   | *136                      | —                         | —                           | *40                           | *103                           | 249                             | 1,712                           | 123                              | 234                               | 46,937                |
| U.S. possessions tax credit   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 105,088                              | *13                  | —                   | *1                        | *1,362                    | 630                         | 2,671                         | 1,165                          | 1,537                           | 2,824                           | 2,496                            | 1,255                             | 91,135                |
| Work incentive (WIN) credit   | 213                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 3                               | 4                               | 3                                | 10                                | 193                   |
| Distributions to stockholders except in own stock                     | 441,774                              | —                    | —                   | *3,128                    | *3,465                    | *360                        | 6,045                         | 6,754                          | 5,498                           | 6,941                           | 11,319                           | 7,528                             | 390,736               |
| <b>Manufacturing: Instruments and Related Products</b>                |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 5,664                                | *5                   | 2,498               | 1,324                     | 583                       | 479                         | 563                           | 83                             | 58                              | 25                              | 20                               | 17                                | 9                     |
| Total assets  | 17,840,671                           | —                    | 63,946              | 201,528                   | 182,629                   | 334,373                     | 1,189,998                     | 573,000                        | 888,852                         | 913,324                         | 1,431,899                        | 2,904,305                         | 9,156,817             |
| Notes and accounts receivable, net                                    | 3,989,412                            | —                    | 11,240              | 48,058                    | 50,421                    | 95,494                      | 305,901                       | 133,912                        | 222,879                         | 221,157                         | 369,831                          | 753,719                           | 1,776,800             |
| Inventories   | 4,541,622                            | —                    | 13,323              | 44,037                    | 56,722                    | 89,095                      | 393,223                       | 198,458                        | 265,106                         | 287,685                         | 392,346                          | 823,962                           | 1,977,666             |
| Cash, Government obligations, and other current assets                | 2,005,711                            | —                    | 19,847              | 44,626                    | 17,003                    | 42,044                      | 155,195                       | 71,082                         | 100,759                         | 96,408                          | 128,841                          | 298,286                           | 1,031,620             |
| Other investments and loans <sup>1</sup>                              | 1,769,783                            | —                    | *5,635              | *14,920                   | *8,275                    | 13,250                      | 40,816                        | 23,899                         | 69,776                          | 63,399                          | 233,226                          | 316,021                           | 980,566               |
| Depreciable assets  | 9,040,806                            | —                    | 31,558              | 67,502                    | 65,294                    | 139,027                     | 435,901                       | 189,193                        | 303,560                         | 292,223                         | 458,618                          | 1,094,228                         | 5,963,702             |
| Less: Accumulated depreciation  | 4,186,092                            | —                    | 18,486              | 29,422                    | 39,570                    | 63,796                      | 193,675                       | 76,610                         | 134,373                         | 121,277                         | 216,642                          | 533,917                           | 2,758,322             |
| Other capital assets less reserves <sup>2</sup>                       | 359,983                              | —                    | *403                | *5,423                    | *7,955                    | 14,128                      | 30,618                        | 24,398                         | 20,537                          | 39,584                          | 39,965                           | 29,370                            | 147,602               |
| Accounts and notes payable <sup>3</sup>                               | 2,491,743                            | —                    | 12,327              | 41,934                    | 52,291                    | 86,202                      | 294,042                       | 119,803                        | 165,149                         | 174,260                         | 211,559                          | 493,863                           | 840,313               |
| Other current liabilities   | 2,175,316                            | —                    | 5,510               | 24,748                    | 17,205                    | 39,676                      | 125,924                       | 58,854                         | 108,760                         | 111,009                         | 151,798                          | 348,334                           | 1,163,498             |
| Mortgages, notes, and bonds payable in one year or more               | 2,089,079                            | —                    | *291                | *30,060                   | 24,566                    | 29,843                      | 193,100                       | 55,714                         | 113,689                         | 192,441                         | 268,018                          | 561,817                           | 619,540               |
| Net worth   | 10,745,637                           | —                    | 35,631              | 85,780                    | 83,484                    | 164,376                     | 537,427                       | 312,788                        | 469,447                         | 413,631                         | 774,557                          | 1,433,294                         | 6,435,222             |
| Cost of property used for investment credit                           | 905,319                              | *1,779               | *5,067              | 8,314                     | 5,101                     | 18,235                      | 47,536                        | 21,951                         | 32,309                          | 34,660                          | 44,810                           | 90,806                            | 594,751               |
| Total receipts  | 23,984,719                           | *38,186              | 271,428             | 412,718                   | 401,852                   | 627,137                     | 1,959,970                     | 877,279                        | 1,220,604                       | 1,189,770                       | 1,802,035                        | 3,624,934                         | 11,558,806            |
| Business receipts   | 23,050,075                           | *36,954              | 266,277             | 407,672                   | 399,888                   | 616,415                     | 1,924,049                     | 858,409                        | 1,187,849                       | 1,152,233                       | 1,727,079                        | 3,539,176                         | 10,934,056            |
| Cost of sales and operations  | 13,761,155                           | *20,890              | 178,075             | 247,443                   | 268,726                   | 345,998                     | 1,189,245                     | 528,954                        | 717,301                         | 704,209                         | 1,194,860                        | 2,323,387                         | 6,042,067             |
| Taxes paid  | 639,720                              | *1,086               | 8,352               | 12,442                    | 9,084                     | 19,595                      | 55,945                        | 22,949                         | 36,746                          | 28,957                          | 46,287                           | 92,593                            | 306,139               |
| Interest paid   | 234,041                              | *307                 | *38                 | 3,033                     | 4,480                     | 5,713                       | 28,112                        | 10,134                         | 13,695                          | 24,545                          | 33,053                           | 48,575                            | 62,356                |
| Depreciation  | 715,580                              | *1,865               | 3,367               | 8,313                     | 6,609                     | 12,442                      | 38,527                        | 16,478                         | 26,400                          | 26,832                          | 34,465                           | 89,846                            | 450,436               |
| Pension, profit-sharing, stock bonus, and annuity plans               | 407,925                              | *682                 | *1,444              | *3,108                    | *1,444                    | 7,726                       | 15,221                        | 6,328                          | 10,757                          | 11,722                          | 17,449                           | 50,846                            | 281,394               |
| Employee benefit programs   | 195,389                              | *36                  | *2,429              | 2,948                     | 1,187                     | 3,983                       | 13,995                        | 4,189                          | 6,911                           | 13,126                          | 10,010                           | 55,788                            | 80,787                |
| Net income (less deficit)   | 2,365,870                            | *5,884               | 9,300               | 11,912                    | 23,657                    | 37,027                      | 99,981                        | 88,203                         | 82,133                          | 80,801                          | 114,486                          | 238,840                           | 1,589,237             |
| Net income  | 2,519,925                            | *6,780               | 15,103              | 16,903                    | 15,512                    | 48,530                      | 138,881                       | 100,094                        | 112,620                         | 88,727                          | 131,358                          | 255,544                           | 1,589,873             |
| Income subject to tax   | 2,444,411                            | *6,780               | *7,847              | 12,264                    | 11,562                    | 42,221                      | 116,664                       | 97,812                         | 106,194                         | 85,919                          | 126,208                          | 247,888                           | 1,583,052             |
| Income tax, total   | 1,153,533                            | *3,252               | *1,573              | 2,774                     | 3,049                     | 17,036                      | 51,782                        | 46,156                         | 50,088                          | 40,803                          | 60,142                           | 118,756                           | 658,122               |
| Additional tax for tax preferences                                    | —                                    | *6                   | —                   | —                         | —                         | —                           | —                             | *6                             | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit  | 170,421                              | *656                 | —                   | —                         | —                         | —                           | *512                          | *494                           | 873                             | 1,849                           | 11,567                           | 10,531                            | 143,939               |
| U.S. possessions tax credit   | 15,785                               | —                    | —                   | 61                        | 49                        | 292                         | 3,478                         | 11,905                         | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 85,536                               | *132                 | *1                  | 203                       | *229                      | 1,348                       | 2,999                         | 1,802                          | 2,542                           | 2,337                           | 2,424                            | 6,220                             | 65,300                |
| Work incentive (WIN) credit   | 205                                  | —                    | —                   | —                         | *34                       | —                           | *20                           | *15                            | 4                               | 1                               | 66                               | 45                                | 20                    |
| Distributions to stockholders except in own stock                     | 565,937                              | —                    | *4,219              | *105                      | 362                       | 6,425                       | 15,120                        | 2,008                          | 9,464                           | 9,543                           | 21,473                           | 36,571                            | 460,647               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Transportation and Public Utilities: Transportation     |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 63,098                               | 1,178                | 36,210              | 12,446                    | 6,047                     | 3,523                       | 2,866                         | 362                            | 222                             | 87                              | 55                               | 40                                | 62                    |
| Total assets  | 115,783,975                          | —                    | 1,232,105           | 1,961,505                 | 2,121,664                 | 2,474,148                   | 5,714,580                     | 2,567,282                      | 3,407,328                       | 3,191,308                       | 3,811,584                        | 6,681,557                         | 82,620,914            |
| Notes and accounts receivable, net                      | 12,852,194                           | —                    | 212,442             | 390,835                   | 462,417                   | 573,476                     | 1,154,607                     | 519,597                        | 690,262                         | 537,034                         | 695,996                          | 725,227                           | 6,890,301             |
| Inventories   | 3,096,021                            | —                    | 15,805              | 33,995                    | 19,129                    | 58,057                      | 166,914                       | 73,379                         | 99,174                          | 75,758                          | 158,996                          | 222,710                           | 2,172,104             |
| Cash, Government obligations, and other current assets  | 12,631,709                           | —                    | 259,161             | 356,542                   | 382,178                   | 394,953                     | 921,667                       | 352,594                        | 478,211                         | 405,892                         | 400,400                          | 590,916                           | 8,089,195             |
| Other investments and loans <sup>1</sup>                | 15,285,387                           | —                    | 59,090              | 118,020                   | 110,768                   | 157,094                     | 375,450                       | 225,004                        | 258,353                         | 234,641                         | 436,590                          | 676,405                           | 12,633,972            |
| Depreciable assets                                      | 94,019,092                           | —                    | 1,120,944           | 1,893,867                 | 2,146,844                 | 2,235,276                   | 4,808,241                     | 2,213,655                      | 2,932,618                       | 2,935,176                       | 2,864,562                        | 5,314,488                         | 65,553,421            |
| Less: Accumulated depreciation                          | 32,378,251                           | —                    | 568,924             | 960,274                   | 1,138,508                 | 1,158,412                   | 2,215,917                     | 1,062,143                      | 1,323,824                       | 1,248,269                       | 1,135,496                        | 1,339,947                         | 20,226,537            |
| Other capital assets less reserves <sup>2</sup>         | 1,975,583                            | —                    | 16,473              | 58,800                    | 55,468                    | 117,559                     | 241,957                       | 144,514                        | 149,199                         | 120,684                         | 176,504                          | 101,360                           | 793,065               |
| Accounts and notes payable <sup>3</sup>                 | 15,399,438                           | —                    | 359,983             | 571,302                   | 587,615                   | 765,450                     | 1,555,512                     | 674,282                        | 734,895                         | 596,100                         | 682,912                          | 914,315                           | 7,957,072             |
| Other current liabilities                               | 14,112,788                           | —                    | 72,987              | 123,408                   | 165,068                   | 196,482                     | 554,111                       | 249,518                        | 377,661                         | 451,372                         | 436,328                          | 645,883                           | 10,839,992            |
| Mortgages, notes, and bonds payable in one year or more | 34,260,557                           | —                    | 248,353             | 406,015                   | 498,102                   | 644,635                     | 1,465,025                     | 848,916                        | 833,100                         | 936,582                         | 1,191,534                        | 2,272,016                         | 24,916,279            |
| Net worth   | 42,469,765                           | —                    | 314,004             | 567,136                   | 702,113                   | 722,394                     | 1,870,658                     | 687,822                        | 1,271,120                       | 1,100,886                       | 1,286,540                        | 2,245,827                         | 31,701,465            |
| Cost of property used for investment credit             | 8,498,470                            | 85,654               | 180,262             | 277,726                   | 269,519                   | 277,773                     | 596,587                       | 213,035                        | 327,155                         | 244,825                         | 272,015                          | 734,336                           | 5,019,583             |
| Total receipts  | 113,973,355                          | 2,848,651            | 4,206,236           | 5,121,414                 | 4,936,352                 | 5,616,365                   | 10,535,230                    | 3,842,031                      | 5,244,201                       | 4,736,115                       | 5,271,003                        | 5,430,731                         | 56,185,026            |
| Business receipts                                       | 108,559,064                          | 2,779,705            | 4,133,091           | 5,019,984                 | 4,867,785                 | 5,495,867                   | 10,235,072                    | 3,723,981                      | 5,083,393                       | 4,614,085                       | 5,124,069                        | 5,191,419                         | 52,290,613            |
| Cost of sales and operations                            | 74,530,186                           | 1,382,626            | 2,791,917           | 3,263,568                 | 3,338,236                 | 3,589,061                   | 6,952,755                     | 2,558,399                      | 3,516,690                       | 3,121,317                       | 3,660,890                        | 3,938,651                         | 36,416,076            |
| Taxes paid  | 5,041,638                            | 73,337               | 125,032             | 195,467                   | 197,275                   | 222,478                     | 400,684                       | 167,415                        | 231,953                         | 227,887                         | 212,045                          | 179,934                           | 2,808,131             |
| Interest paid   | 3,072,073                            | 104,360              | 34,930              | 63,366                    | 73,352                    | 94,566                      | 168,503                       | 72,625                         | 89,626                          | 94,235                          | 117,527                          | 183,521                           | 1,975,462             |
| Depreciation  | 5,949,288                            | 155,901              | 142,586             | 214,361                   | 239,306                   | 226,284                     | 430,501                       | 164,464                        | 228,689                         | 215,827                         | 195,855                          | 294,374                           | 3,441,140             |
| Pension, profit—sharing, stock bonus, and annuity plans | 1,324,628                            | 4,393                | 7,336               | 26,114                    | 26,828                    | 46,485                      | 91,184                        | 54,277                         | 61,527                          | 61,772                          | 78,852                           | 79,522                            | 786,338               |
| Employee benefit programs                               | 966,098                              | 6,518                | 9,974               | 29,444                    | 30,989                    | 43,384                      | 85,019                        | 42,908                         | 66,817                          | 58,391                          | 54,653                           | 37,303                            | 500,698               |
| Net income (less deficit)                               | 2,688,923                            | -62,520              | 3,288               | 85,719                    | 94,832                    | 143,401                     | 330,399                       | 158,203                        | 231,599                         | 193,329                         | 183,425                          | 73,349                            | 1,253,359             |
| Net income  | 4,356,094                            | 73,227               | 102,965             | 164,009                   | 171,993                   | 204,590                     | 422,546                       | 190,507                        | 271,244                         | 232,266                         | 218,255                          | 263,212                           | 2,041,280             |
| Income subject to tax                                   | 3,509,703                            | 71,494               | 57,348              | 106,918                   | 145,368                   | 151,946                     | 339,843                       | 164,868                        | 240,480                         | 220,233                         | 183,382                          | 232,744                           | 1,595,079             |
| Income tax, total                                       | 1,545,376                            | 34,368               | 11,291              | 25,673                    | 42,617                    | 54,316                      | 144,032                       | 75,979                         | 112,760                         | 104,791                         | 86,822                           | 110,218                           | 742,509               |
| Additional tax for tax preferences                      | 1,037                                | 3                    | —                   | —                         | —                         | —                           | (1)                           | 3                              | 31                              | 70                              | 63                               | 45                                | 822                   |
| Foreign tax credit                                      | 51,125                               | —                    | —                   | —                         | —                         | 24                          | 758                           | 1,857                          | 999                             | 293                             | 3,434                            | 12,929                            | 30,831                |
| U.S. possessions tax credit                             | 120                                  | —                    | 105                 | —                         | 15                        | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 429,563                              | 9,662                | 3,519               | 10,215                    | 10,912                    | 12,017                      | 27,526                        | 11,346                         | 18,100                          | 16,408                          | 15,456                           | 20,303                            | 274,099               |
| Work incentive (WIN) credit                             | 96                                   | 3                    | —                   | —                         | —                         | 13                          | 4                             | 12                             | 3                               | 12                              | 4                                | 2                                 | 43                    |
| Distributions to stockholders except in own stock       | 1,162,560                            | 8,982                | 9,718               | 6,286                     | 10,004                    | 23,896                      | 56,988                        | 29,890                         | 47,795                          | 54,405                          | 42,272                           | 79,158                            | 793,166               |
| Transportation and Public Utilities: Communication      |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 8,982                                | 193                  | 3,693               | 1,672                     | 1,535                     | 664                         | 881                           | 185                            | 77                              | 36                              | 12                               | 17                                | 17                    |
| Total assets  | 133,073,471                          | —                    | 180,962             | 264,376                   | 549,968                   | 452,018                     | 1,804,380                     | 1,278,530                      | 1,229,847                       | 1,263,176                       | 802,516                          | 2,722,711                         | 122,524,987           |
| Notes and accounts receivable, net                      | 7,786,345                            | —                    | 34,533              | 50,204                    | 93,656                    | 51,354                      | 163,165                       | 104,944                        | 98,314                          | 102,342                         | 35,838                           | 197,755                           | 6,854,240             |
| Inventories   | 3,740,487                            | —                    | 16,765              | 884                       | 16,454                    | 11,197                      | 32,875                        | 18,039                         | 14,363                          | 30,299                          | 4,664                            | 134,881                           | 3,472,066             |
| Cash, Government obligations, and other current assets  | 5,754,836                            | —                    | 30,600              | 40,574                    | 44,276                    | 73,133                      | 217,090                       | 105,127                        | 112,606                         | 134,071                         | 98,154                           | 235,151                           | 4,664,054             |
| Other investments and loans <sup>1</sup>                | 10,193,212                           | —                    | 5,416               | 18,718                    | 49,327                    | 24,283                      | 122,035                       | 111,453                        | 92,717                          | 130,899                         | 157,252                          | 553,237                           | 8,926,875             |
| Depreciable assets                                      | 131,469,804                          | —                    | 194,129             | 263,083                   | 461,305                   | 394,572                     | 1,613,185                     | 1,111,761                      | 1,067,345                       | 977,153                         | 541,979                          | 1,751,197                         | 123,094,095           |
| Less: Accumulated depreciation                          | 28,598,520                           | —                    | 100,795             | 146,927                   | 203,297                   | 173,774                     | 555,974                       | 370,741                        | 360,839                         | 349,935                         | 178,911                          | 531,692                           | 25,625,635            |
| Other capital assets less reserves <sup>2</sup>         | 1,188,569                            | —                    | 4,715               | 16,305                    | 18,468                    | 21,530                      | 80,738                        | 100,606                        | 87,987                          | 78,850                          | 24,443                           | 132,571                           | 622,336               |
| Accounts and notes payable <sup>3</sup>                 | 8,125,575                            | —                    | 35,691              | 47,688                    | 76,565                    | 83,284                      | 181,269                       | 147,882                        | 106,972                         | 90,527                          | 32,841                           | 200,057                           | 7,122,799             |
| Other current liabilities                               | 13,684,828                           | —                    | 12,248              | 10,732                    | 28,112                    | 39,982                      | 99,950                        | 69,644                         | 99,592                          | 135,096                         | 79,612                           | 226,531                           | 12,883,329            |
| Mortgages, notes, and bonds payable in one year or more | 46,975,011                           | —                    | 59,739              | 83,843                    | 203,535                   | 171,984                     | 901,478                       | 662,592                        | 579,421                         | 505,196                         | 371,220                          | 917,361                           | 42,518,642            |
| Net worth   | 58,219,997                           | —                    | 53,633              | 77,277                    | 150,423                   | 85,657                      | 533,285                       | 336,998                        | 384,421                         | 447,675                         | 267,269                          | 1,140,766                         | 54,742,593            |
| Cost of property used for investment credit             | 12,117,106                           | 4,194                | 24,220              | 14,312                    | 47,647                    | 31,448                      | 189,294                       | 124,740                        | 116,279                         | 91,058                          | 65,929                           | 215,719                           | 11,192,266            |
| Total receipts  | 62,244,828                           | 83,550               | 403,398             | 343,257                   | 559,936                   | 383,754                     | 1,003,441                     | 653,769                        | 753,204                         | 671,367                         | 294,390                          | 1,389,713                         | 55,705,049            |
| Business receipts                                       | 61,211,176                           | 75,416               | 394,741             | 334,541                   | 547,980                   | 360,017                     | 977,230                       | 617,425                        | 723,454                         | 643,296                         | 267,061                          | 1,294,260                         | 54,975,755            |
| Cost of sales and operations                            | 29,088,149                           | 38,590               | 209,058             | 142,062                   | 265,885                   | 167,323                     | 398,633                       | 239,948                        | 346,452                         | 271,251                         | 88,689                           | 633,993                           | 26,286,265            |
| Taxes paid  | 4,421,244                            | 3,929                | 17,159              | 22,742                    | 22,742                    | 51,108                      | 131,068                       | 36,010                         | 36,010                          | 35,719                          | 15,565                           | 57,701                            | 4,117,281             |
| Interest paid   | 3,670,632                            | 2,033                | 6,496               | 7,415                     | 21,123                    | 14,844                      | 56,388                        | 48,086                         | 47,698                          | 43,343                          | 36,572                           | 88,555                            | 3,298,079             |
| Depreciation  | 9,266,406                            | 4,541                | 18,016              | 22,228                    | 35,987                    | 31,094                      | 103,522                       | 75,745                         | 74,528                          | 71,723                          | 43,938                           | 156,916                           | 8,628,168             |
| Pension, profit—sharing, stock bonus, and annuity plans | 2,449,229                            | 846                  | 2,668               | 2,033                     | 1,584                     | 2,025                       | 9,353                         | 6,447                          | 7,234                           | 6,799                           | 2,175                            | 14,254                            | 2,398,041             |
| Employee benefit programs                               | 1,037,067                            | 340                  | 776                 | 1,101                     | 1,691                     | 1,929                       | 5,102                         | 3,403                          | 3,648                           | 3,757                           | 1,560                            | 7,414                             | 1,006,346             |
| Net income (less deficit)                               | 5,236,330                            | 14,587               | 10,740              | 6,519                     | 16,400                    | 12,055                      | 108,947                       | 81,650                         | 77,787                          | 108,614                         | 40,495                           | 160,492                           | 4,598,044             |
| Net income  | 5,377,410                            | 20,068               | 22,625              | 23,558                    | 33,970                    | 27,852                      | 141,363                       | 90,894                         | 97,266                          | 115,679                         | 43,402                           | 162,889                           | 4,598,044             |
| Income subject to tax                                   | 5,193,398                            | 16,958               | 8,660               | 18,119                    | 21,422                    | 25,890                      | 118,715                       | 75,989                         | 84,223                          | 106,778                         | 39,073                           | 157,930                           | 4,519,941             |
| Income tax, total                                       | 2,486,484                            | 7,781                | 1,784               | 3,759                     | 5,641                     | 9,478                       | 50,855                        | 33,760                         | 38,445                          | 50,386                          | 18,782                           | 72,458                            | 2,193,355             |
| Additional tax for tax preferences                      | 35                                   | —                    | —                   | —                         | —                         | —                           | 4                             | 5                              | 26                              | —                               | —                                | —                                 | —                     |
| Foreign tax credit                                      | 42,942                               | —                    | —                   | —                         | —                         | —                           | —                             | (1)                            | 147                             | —                               | —                                | 5,805                             | 37,190                |
| U.S. possessions tax credit                             | 18,007                               | —                    | —                   | —                         | 48                        | —                           | 66                            | 746                            | —                               | —                               | —                                | —                                 | 17,147                |
| Investment credit                                       | 1,249,103                            | 792                  | 486                 | 579                       | 1,222                     | 1,502                       | 10,783                        | 6,410                          | 5,980                           | 5,479                           | 4,003                            | 15,956                            | 1,195,911             |
| Work incentive (WIN) credit                             | 54                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | 1                               | —                                | —                                 | 52                    |
| Distributions to stockholders except in own stock       | 3,370,347                            | 12,591               | 4,754               | 1,899                     | 4,973                     | 1,951                       | 15,807                        | 11,799                         | 20,797                          | 14,321                          | 10,218                           | 26,128                            | 3,245,109             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Transportation and Public Utilities: Electric, Gas, and Sanitary Services |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 9,293                                | 310                  | 4,708               | 1,823                     | 1,192                     | 490                         | 411                           | 62                             | 67                              | 24                              | 24                               | 44                                | 138                   |
| Total assets  | 237,384,519                          | —                    | 163,665             | 313,093                   | 403,630                   | 336,169                     | 795,463                       | 411,400                        | 1,106,968                       | 830,646                         | 1,749,025                        | 6,896,242                         | 224,378,218           |
| Notes and accounts receivable, net  | 11,729,831                           | —                    | 16,825              | 41,583                    | 40,871                    | 38,070                      | 88,980                        | 35,869                         | 104,748                         | 60,651                          | 124,024                          | 494,141                           | 10,684,069            |
| Inventories   | 8,429,092                            | —                    | 5,975               | 15,151                    | 14,310                    | 4,969                       | 24,635                        | 5,222                          | 40,033                          | 34,184                          | 66,090                           | 254,669                           | 7,973,854             |
| Cash, Government obligations, and other current assets                    | 10,917,924                           | —                    | 25,919              | 30,223                    | 37,967                    | 49,136                      | 70,999                        | 53,597                         | 89,836                          | 57,202                          | 81,996                           | 422,156                           | 9,998,893             |
| Other investments and loans <sup>1</sup>                                  | 11,790,144                           | —                    | 5,799               | 7,503                     | 21,353                    | 14,941                      | 40,419                        | 25,113                         | 65,419                          | 34,813                          | 52,666                           | 251,774                           | 11,270,344            |
| Depreciable assets  | 246,052,045                          | —                    | 204,374             | 363,460                   | 451,877                   | 356,194                     | 770,798                       | 388,480                        | 1,018,737                       | 869,835                         | 2,059,144                        | 7,182,125                         | 232,387,021           |
| Less: Accumulated depreciation  | 58,562,735                           | —                    | 122,228             | 172,012                   | 198,143                   | 163,076                     | 281,475                       | 112,165                        | 295,084                         | 264,063                         | 685,327                          | 1,982,777                         | 54,286,385            |
| Other capital assets less reserves <sup>2</sup>                           | 3,667,044                            | —                    | 3,577               | 15,483                    | 23,066                    | 27,270                      | 46,204                        | 12,216                         | 46,601                          | 16,831                          | 25,935                           | 161,419                           | 3,288,442             |
| Accounts and notes payable <sup>3</sup>                                   | 17,032,163                           | —                    | 31,111              | 63,527                    | 46,155                    | 55,521                      | 137,581                       | 82,887                         | 161,136                         | 88,589                          | 209,914                          | 763,912                           | 15,391,830            |
| Other current liabilities   | 16,741,641                           | —                    | 8,928               | 13,437                    | 20,548                    | 16,320                      | 59,606                        | 34,516                         | 81,005                          | 74,853                          | 120,255                          | 502,405                           | 15,809,768            |
| Mortgages, notes, and bonds payable in one year or more                   | 98,124,595                           | —                    | 35,876              | 76,325                    | 96,138                    | 71,023                      | 255,456                       | 109,945                        | 326,437                         | 313,207                         | 684,297                          | 2,887,977                         | 93,267,914            |
| Net worth   | 95,251,685                           | —                    | 75,429              | 127,305                   | 204,591                   | 147,662                     | 249,991                       | 155,735                        | 464,451                         | 311,996                         | 576,842                          | 2,438,073                         | 90,499,610            |
| Cost of property used for investment credit                               | 23,834,640                           | 5,258                | 11,630              | 34,119                    | 50,663                    | 35,769                      | 70,007                        | 26,440                         | 50,429                          | 45,825                          | 114,995                          | 412,835                           | 22,976,670            |
| Total receipts  | 106,540,151                          | 68,086               | 310,036             | 523,984                   | 396,986                   | 416,671                     | 706,829                       | 269,367                        | 842,253                         | 468,328                         | 1,181,942                        | 5,183,916                         | 96,171,753            |
| Business receipts   | 103,634,327                          | 67,570               | 307,457             | 519,387                   | 390,786                   | 409,955                     | 678,139                       | 262,281                        | 819,545                         | 458,407                         | 1,168,437                        | 5,129,570                         | 93,422,793            |
| Cost of sales and operations  | 65,339,205                           | 57,495               | 164,156             | 310,698                   | 231,087                   | 251,251                     | 445,282                       | 179,755                        | 601,156                         | 287,748                         | 815,460                          | 3,560,212                         | 58,434,905            |
| Taxes paid  | 7,905,351                            | 1,948                | 15,099              | 17,868                    | 16,442                    | 17,859                      | 32,663                        | 12,471                         | 34,841                          | 22,827                          | 69,466                           | 243,212                           | 7,420,655             |
| Interest paid   | 7,771,542                            | 2,087                | 2,818               | 8,634                     | 11,185                    | 7,720                       | 22,309                        | 11,272                         | 29,669                          | 23,037                          | 56,327                           | 254,451                           | 7,342,033             |
| Depreciation  | 9,720,523                            | 1,476                | 17,315              | 33,900                    | 29,866                    | 26,727                      | 49,320                        | 15,523                         | 42,920                          | 33,695                          | 76,814                           | 362,876                           | 9,030,091             |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 1,045,881                            | 70                   | 1,261               | 1,800                     | 1,703                     | 3,624                       | 4,257                         | 985                            | 5,772                           | 3,873                           | 10,122                           | 25,770                            | 988,364               |
| Employee benefit programs   | 462,532                              | 76                   | 1,021               | 1,366                     | 1,968                     | 2,957                       | 3,045                         | 642                            | 2,620                           | 2,220                           | 4,913                            | 22,307                            | 419,397               |
| Net income (less deficit)   | 6,574,487                            | 2,307                | 2,376               | 23,185                    | 20,733                    | 31,749                      | 38,717                        | 14,298                         | 54,710                          | 38,224                          | 77,403                           | 318,813                           | 5,956,724             |
| Net income  | 6,874,339                            | 2,450                | 15,402              | 29,125                    | 24,705                    | 33,360                      | 52,097                        | 17,478                         | 63,732                          | 38,630                          | 77,403                           | 328,188                           | 6,191,769             |
| Income subject to tax   | 6,562,081                            | 2,219                | 9,524               | 22,377                    | 19,968                    | 20,857                      | 42,723                        | 15,169                         | 59,551                          | 37,986                          | 72,060                           | 309,894                           | 5,949,753             |
| Income tax, total   | 3,111,658                            | 986                  | 2,091               | 4,598                     | 4,814                     | 7,069                       | 17,605                        | 6,828                          | 27,892                          | 18,035                          | 34,069                           | 148,160                           | 2,839,511             |
| Additional tax for tax preferences  | 7,740                                | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 23                              | 79                              | 23                               | —                                 | 7,615                 |
| Foreign tax credit  | 22,326                               | —                    | —                   | —                         | —                         | —                           | 296                           | —                              | 2,014                           | 3                               | 264                              | 9                                 | 19,740                |
| U.S. possessions tax credit   | 49                                   | —                    | —                   | —                         | —                         | 49                          | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 1,556,295                            | 253                  | 646                 | 2,157                     | 1,520                     | 1,934                       | 3,565                         | 1,413                          | 4,107                           | 4,393                           | 7,678                            | 44,878                            | 1,483,751             |
| Work incentive (WIN) credit   | 42                                   | —                    | —                   | —                         | —                         | —                           | 4                             | —                              | —                               | —                               | —                                | 3                                 | 35                    |
| Distributions to stockholders except in own stock                         | 6,264,265                            | 2,049                | 3,538               | 640                       | 3,586                     | 2,128                       | 6,525                         | 3,444                          | 13,764                          | 15,263                          | 41,466                           | 142,801                           | 6,029,061             |
| Total Wholesale and Retail Trade  |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 635,540                              | 16,271               | 309,039             | 137,367                   | 80,064                    | 48,903                      | 37,983                        | 3,239                          | 1,637                           | 508                             | 279                              | 155                               | 95                    |
| Total assets  | 368,793,060                          | —                    | 11,969,356          | 21,717,752                | 28,242,902                | 34,229,600                  | 73,360,799                    | 22,120,036                     | 24,743,308                      | 17,748,205                      | 19,666,414                       | 24,798,972                        | 90,195,716            |
| Notes and accounts receivable, net  | 96,482,129                           | —                    | 1,640,849           | 4,040,779                 | 6,330,236                 | 8,330,622                   | 19,239,538                    | 6,509,182                      | 7,208,258                       | 4,997,800                       | 5,094,033                        | 5,565,490                         | 28,025,342            |
| Inventories   | 118,766,741                          | —                    | 4,092,934           | 7,862,552                 | 10,220,341                | 13,724,977                  | 27,995,564                    | 7,543,359                      | 8,118,742                       | 5,757,760                       | 5,875,364                        | 7,709,497                         | 19,865,651            |
| Cash, Government obligations, and other current assets                    | 37,981,033                           | —                    | 2,044,828           | 3,041,618                 | 4,019,283                 | 3,943,496                   | 7,603,397                     | 2,157,074                      | 2,423,037                       | 1,887,927                       | 1,945,283                        | 2,389,098                         | 6,525,992             |
| Other investments and loans <sup>1</sup>                                  | 33,656,794                           | —                    | 573,015             | 1,073,719                 | 1,255,257                 | 1,610,925                   | 3,980,592                     | 1,436,031                      | 1,985,091                       | 1,547,418                       | 2,262,898                        | 2,466,619                         | 15,465,229            |
| Depreciable assets  | 110,238,392                          | —                    | 5,691,891           | 8,099,795                 | 9,221,618                 | 9,644,360                   | 20,143,798                    | 5,942,782                      | 6,219,920                       | 5,038,533                       | 5,429,333                        | 8,440,696                         | 26,365,666            |
| Less: Accumulated depreciation  | 47,081,035                           | —                    | 2,879,291           | 3,770,327                 | 4,380,956                 | 4,521,188                   | 9,014,816                     | 2,504,320                      | 2,484,591                       | 2,019,467                       | 2,105,756                        | 3,333,962                         | 10,066,361            |
| Other capital assets less reserves <sup>2</sup>                           | 10,258,783                           | —                    | 293,172             | 672,273                   | 975,635                   | 907,366                     | 2,156,030                     | 592,691                        | 655,290                         | 565,699                         | 572,690                          | 829,975                           | 2,037,962             |
| Accounts and notes payable <sup>3</sup>                                   | 130,380,795                          | —                    | 3,653,101           | 6,616,139                 | 9,577,107                 | 13,551,155                  | 30,213,917                    | 8,858,304                      | 9,258,474                       | 5,997,022                       | 6,217,605                        | 7,525,880                         | 28,912,091            |
| Other current liabilities   | 30,386,187                           | —                    | 883,527             | 1,449,661                 | 1,970,085                 | 2,373,920                   | 5,368,133                     | 1,703,757                      | 1,938,853                       | 1,617,044                       | 1,682,887                        | 2,482,862                         | 8,915,458             |
| Mortgages, notes, and bonds payable in one year or more                   | 49,267,489                           | —                    | 1,767,476           | 3,265,095                 | 3,590,018                 | 3,750,413                   | 7,863,045                     | 2,392,910                      | 2,973,171                       | 2,268,767                       | 2,958,431                        | 3,978,609                         | 14,459,554            |
| Net worth   | 139,281,143                          | —                    | 3,259,996           | 8,205,247                 | 11,093,789                | 12,663,141                  | 26,978,381                    | 8,380,710                      | 9,708,867                       | 7,298,509                       | 8,117,395                        | 10,106,235                        | 33,468,873            |
| Cost of property used for investment credit                               | 11,975,866                           | 64,534               | 702,156             | 925,000                   | 1,023,843                 | 1,068,783                   | 2,360,985                     | 724,575                        | 750,393                         | 512,017                         | 623,721                          | 841,771                           | 2,378,088             |
| Total receipts  | 1,113,913,736                        | 12,709,563           | 53,913,348          | 73,130,428                | 96,360,075                | 115,507,194                 | 242,174,632                   | 66,841,686                     | 68,979,810                      | 50,470,968                      | 53,504,051                       | 75,462,043                        | 204,859,938           |
| Business receipts   | 1,094,672,268                        | 12,494,802           | 53,263,217          | 72,161,896                | 95,112,239                | 113,832,305                 | 238,079,288                   | 65,661,856                     | 67,687,356                      | 49,336,190                      | 52,414,945                       | 74,012,528                        | 200,615,646           |
| Cost of sales and operations  | 862,112,883                          | 10,865,113           | 35,342,273          | 51,097,642                | 72,173,364                | 89,585,510                  | 192,397,192                   | 53,529,162                     | 55,033,340                      | 39,435,294                      | 42,579,898                       | 59,552,961                        | 160,248,134           |
| Taxes paid  | 15,591,445                           | 132,353              | 1,197,884           | 1,320,771                 | 1,542,791                 | 1,559,568                   | 3,171,187                     | 874,123                        | 827,844                         | 826,461                         | 596,581                          | 959,536                           | 2,582,346             |
| Interest paid   | 8,786,759                            | 131,604              | 276,791             | 496,028                   | 643,648                   | 818,336                     | 1,791,029                     | 514,804                        | 557,273                         | 383,842                         | 444,570                          | 556,998                           | 2,171,836             |
| Depreciation  | 9,839,550                            | 72,271               | 633,032             | 793,022                   | 853,629                   | 906,750                     | 1,850,168                     | 566,742                        | 592,442                         | 445,148                         | 447,725                          | 715,026                           | 1,963,595             |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 3,244,821                            | 12,249               | 102,744             | 165,470                   | 299,103                   | 367,251                     | 721,448                       | 180,966                        | 166,496                         | 140,748                         | 131,060                          | 205,732                           | 751,554               |
| Employee benefit programs   | 2,283,969                            | 16,173               | 93,209              | 112,755                   | 175,949                   | 205,955                     | 422,243                       | 109,410                        | 123,529                         | 115,769                         | 142,548                          | 216,888                           | 549,541               |
| Net income (less deficit)   | 26,022,664                           | —5,270               | 190,657             | 1,291,659                 | 1,847,341                 | 2,294,059                   | 5,497,754                     | 1,809,666                      | 2,086,600                       | 1,700,496                       | 1,807,957                        | 2,239,686                         | 5,462,059             |
| Net income  | 30,752,208                           | 216,296              | 1,234,739           | 1,913,772                 | 2,322,568                 | 2,702,185                   | 6,224,036                     | 2,067,066                      | 2,364,996                       | 1,857,499                       | 1,729,860                        | 2,386,100                         | 5,733,091             |
| Income subject to tax   | 22,239,955                           | 169,619              | 590,130             | 1,270,878                 | 1,616,616                 | 1,975,753                   | 4,846,426                     | 1,510,885                      | 1,506,185                       | 1,205,988                       | 1,171,163                        | 1,731,930                         | 4,644,562             |
| Income tax, total   | 9,144,428                            | 69,836               | 121,927             | 298,477                   | 419,571                   | 644,252                     | 2,020,641                     | 697,584                        | 709,733                         | 570,838                         | 556,885                          | 813,929                           | 2,220,755             |
| Additional tax for tax preferences  | 2,464                                | —                    | —                   | —                         | —                         | 169                         | 122                           | 27                             | 128                             | 246                             | 53                               | 1,431                             | 288                   |
| Foreign tax credit  | 688,894                              | 841                  | —                   | 402                       | —                         | 1,585                       | 4,369                         | 6,730                          | 5,591                           | 4,860                           | 17,263                           | 16,730                            | 630,523               |
| U.S. possessions tax credit   | 17,500                               | —                    | 59                  | 194                       | 209                       | 728                         | 1,848                         | —                              | 3,192                           | 6,972                           | 4,298                            | —                                 | —                     |
| Investment credit   | 674,540                              | 4,592                | 13,544              | 30,373                    | 42,139                    | 51,728                      | 124,551                       | 38,608                         | 42,816                          |                                 |                                  |                                   |                       |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item   | Total returns of active corporations | Size of total assets |                      |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|----------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1. under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                  | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Wholesale and Retail Trade: Total Wholesale Trade</b>                           |                                      |                      |                      |                           |                           |                             | ...                           | ...                            | ...                             | ...                             |                                  |                                   |                       |
| Number of returns  | 226,857                              | **                   | **                   | 48,510                    | 35,025                    | 25,314                      |                               |                                | 25,807                          |                                 | 180                              | 81                                | 5                     |
| Total assets   | 190,248,638                          | —                    | **                   | 7,857,056                 | 12,431,463                | 17,919,220                  |                               |                                | 87,033,229                      |                                 | 12,490,604                       | 13,236,823                        | 36,119,151            |
| Notes and accounts receivable, net   | 61,849,502                           | —                    | **                   | 2,354,063                 | 3,877,799                 | 5,719,376                   |                               |                                | 29,009,311                      |                                 | 4,129,569                        | 4,020,653                         | 11,968,311            |
| Inventories  | 56,188,212                           | —                    | **                   | 2,387,517                 | 3,898,680                 | 6,239,319                   |                               |                                | 28,921,983                      |                                 | 3,653,592                        | 4,187,558                         | 6,094,131             |
| Cash, Government obligations, and other current assets                             | 19,531,467                           | —                    | **                   | 1,145,355                 | 1,833,599                 | 2,077,601                   |                               |                                | 8,652,873                       |                                 | 1,126,503                        | 1,199,837                         | 2,827,000             |
| Other investments and loans <sup>1</sup>   | 21,496,713                           | —                    | **                   | 412,668                   | 512,685                   | 879,548                     |                               |                                | 6,195,897                       |                                 | 1,527,744                        | 1,497,098                         | 10,288,499            |
| Depreciable assets   | 40,871,863                           | —                    | **                   | 2,337,217                 | 3,470,961                 | 4,423,972                   |                               |                                | 19,150,049                      |                                 | 2,332,879                        | 2,706,058                         | 5,281,099             |
| Less: Accumulated depreciation   | 17,674,371                           | —                    | **                   | 1,133,910                 | 1,714,793                 | 2,103,182                   |                               |                                | 8,407,349                       |                                 | 954,084                          | 997,167                           | 1,751,721             |
| Other capital assets less reserves <sup>2</sup>                                    | 3,765,012                            | —                    | **                   | 156,525                   | 344,006                   | 410,400                     |                               |                                | 1,825,134                       |                                 | 299,393                          | 202,084                           | 458,811               |
| Accounts and notes payable <sup>1</sup>  | 75,381,543                           | —                    | **                   | 2,672,913                 | 4,387,189                 | 7,151,414                   |                               |                                | 35,622,024                      |                                 | 4,701,010                        | 4,989,283                         | 14,740,431            |
| Other current liabilities  | 13,518,942                           | —                    | **                   | 502,525                   | 867,412                   | 1,225,582                   |                               |                                | 6,131,565                       |                                 | 960,214                          | 1,239,678                         | 2,350,811             |
| Mortgages, notes, and bonds payable in one year or more                            | 19,795,899                           | —                    | **                   | 842,143                   | 1,167,248                 | 1,659,903                   |                               |                                | 8,233,580                       |                                 | 1,570,256                        | 1,639,909                         | 4,358,959             |
| Net worth  | 74,085,412                           | —                    | **                   | 3,109,675                 | 5,255,155                 | 6,968,775                   |                               |                                | 33,950,290                      |                                 | 4,887,953                        | 5,165,129                         | 13,829,271            |
| Cost of property used for investment credit  | 5,285,540                            | **                   | **                   | 346,055                   | 457,462                   | 587,888                     |                               |                                | 2,404,288                       |                                 | 240,966                          | 304,040                           | 732,621               |
| Total receipts   | 586,582,252                          | **                   | **                   | 30,410,842                | 45,229,672                | 60,105,845                  |                               |                                | 259,464,527                     |                                 | 33,004,830                       | 41,782,161                        | 91,983,751            |
| Business receipts  | 577,029,104                          | **                   | **                   | 29,935,861                | 44,583,112                | 59,309,920                  |                               |                                | 255,398,263                     |                                 | 32,416,312                       | 41,076,728                        | 90,143,771            |
| Cost of sales and operations   | 487,395,929                          | **                   | **                   | 23,004,567                | 35,241,600                | 48,047,714                  |                               |                                | 213,188,555                     |                                 | 28,344,212                       | 36,472,144                        | 84,439,207            |
| Taxes paid   | 6,258,419                            | **                   | **                   | 419,960                   | 645,278                   | 772,243                     |                               |                                | 3,223,887                       |                                 | 225,683                          | 282,765                           | 394,301               |
| Interest paid  | 4,303,861                            | **                   | **                   | 145,599                   | 226,402                   | 356,565                     |                               |                                | 1,858,576                       |                                 | 282,901                          | 321,127                           | 935,321               |
| Depreciation   | 3,802,234                            | **                   | **                   | 247,908                   | 344,450                   | 453,874                     |                               |                                | 1,770,228                       |                                 | 185,625                          | 224,727                           | 382,041               |
| Pension, profit—sharing, stock bonus, and annuity plans                            | 1,578,802                            | **                   | **                   | 91,652                    | 174,856                   | 226,249                     |                               |                                | 769,272                         |                                 | 59,982                           | 89,940                            | 94,632                |
| Employee benefit programs  | 874,052                              | **                   | **                   | 43,338                    | 72,620                    | 98,630                      |                               |                                | 402,962                         |                                 | 73,316                           | 57,612                            | 79,454                |
| Net income (less deficit)  | 15,740,542                           | **                   | **                   | 568,778                   | 973,096                   | 1,380,430                   |                               |                                | 7,791,073                       |                                 | 1,078,169                        | 1,313,086                         | 2,422,181             |
| Net income   | 17,871,699                           | **                   | **                   | 775,153                   | 1,159,328                 | 1,583,416                   |                               |                                | 8,657,216                       |                                 | 1,140,954                        | 1,371,040                         | 2,647,381             |
| Income subject to tax  | 11,243,612                           | **                   | **                   | 482,258                   | 787,438                   | 1,089,854                   |                               |                                | 5,586,773                       |                                 | 612,667                          | 758,827                           | 1,632,591             |
| Income tax, total  | 4,644,650                            | **                   | **                   | 108,877                   | 207,280                   | 360,174                     |                               |                                | 2,467,378                       |                                 | 289,587                          | 347,347                           | 779,751               |
| Additional tax for tax preferences   | 2,151                                | —                    | —                    | —                         | —                         | —                           |                               |                                | 397                             |                                 | 35                               | 1,431                             | 281                   |
| Foreign tax credit   | 605,050                              | **                   | —                    | *402                      | —                         | *1,585                      |                               |                                | 19,218                          |                                 | 15,433                           | 16,082                            | 551,481               |
| U.S. possessions tax credit  | 9,504                                | **                   | —                    | 31                        | 118                       | 137                         |                               |                                | 9,218                           |                                 | —                                | —                                 | —                     |
| Investment credit  | 267,435                              | **                   | **                   | 11,918                    | 19,939                    | 27,711                      |                               |                                | 132,723                         |                                 | 14,030                           | 23,196                            | 32,445                |
| Work incentive (WIN) credit  | 403                                  | **                   | **                   | *181                      | (1)                       | *13                         |                               |                                | 181                             |                                 | 12                               | 2                                 | 14                    |
| Distributions to stockholders except in own stock                                  | 3,326,523                            | **                   | **                   | 100,425                   | 154,377                   | 231,169                     |                               |                                | 1,716,937                       |                                 | 247,482                          | 383,561                           | 317,491               |
| <b>Wholesale and Retail Trade: Wholesale Trade: Groceries and Related Products</b> |                                      |                      |                      |                           |                           |                             | ...                           | ...                            | ...                             | ...                             |                                  | ...                               | ...                   |
| Number of returns  | 20,292                               | **                   | **                   | 5,567                     | 3,473                     | 1,844                       |                               |                                | 2,330                           |                                 | 25                               |                                   | 14                    |
| Total assets   | 16,519,917                           | —                    | **                   | 891,720                   | 1,243,343                 | 1,250,008                   |                               |                                | 8,703,998                       |                                 | 1,629,954                        |                                   | 2,530,189             |
| Notes and accounts receivable, net   | 5,114,194                            | —                    | **                   | 264,591                   | 411,998                   | 512,039                     |                               |                                | 2,825,493                       |                                 | 430,877                          |                                   | 592,117               |
| Inventories  | 4,739,280                            | —                    | **                   | 167,184                   | 220,231                   | 256,890                     |                               |                                | 2,689,933                       |                                 | 533,303                          |                                   | 827,016               |
| Cash, Government obligations, and other current assets                             | 1,960,485                            | —                    | **                   | 131,532                   | 265,979                   | 149,275                     |                               |                                | 860,175                         |                                 | 248,542                          |                                   | 256,208               |
| Other investments and loans <sup>1</sup>   | 1,127,998                            | —                    | **                   | 88,699                    | 63,351                    | 95,771                      |                               |                                | 491,989                         |                                 | 132,186                          |                                   | 242,372               |
| Depreciable assets   | 5,344,502                            | —                    | **                   | 374,586                   | 430,850                   | 400,723                     |                               |                                | 2,696,940                       |                                 | 412,169                          |                                   | 870,222               |
| Less: Accumulated depreciation   | 2,402,253                            | —                    | **                   | 179,510                   | 207,482                   | 207,518                     |                               |                                | 1,178,805                       |                                 | 177,727                          |                                   | 359,945               |
| Other capital assets less reserves <sup>2</sup>                                    | 314,984                              | —                    | **                   | 14,641                    | 34,963                    | 22,078                      |                               |                                | 174,810                         |                                 | 19,194                           |                                   | 45,943                |
| Accounts and notes payable <sup>1</sup>  | 6,568,360                            | —                    | **                   | 338,054                   | 457,576                   | 519,552                     |                               |                                | 3,637,853                       |                                 | 702,079                          |                                   | 819,341               |
| Other current liabilities  | 1,392,413                            | —                    | **                   | 60,780                    | 101,847                   | 75,009                      |                               |                                | 690,912                         |                                 | 141,467                          |                                   | 304,676               |
| Mortgages, notes, and bonds payable in one year or more                            | 2,146,295                            | —                    | **                   | 142,021                   | 133,623                   | 139,509                     |                               |                                | 1,073,021                       |                                 | 191,021                          |                                   | 424,752               |
| Net worth  | 5,555,867                            | —                    | **                   | 272,881                   | 478,471                   | 447,944                     |                               |                                | 2,916,392                       |                                 | 495,297                          |                                   | 873,442               |
| Cost of property used for investment credit  | 622,066                              | **                   | **                   | 53,519                    | 51,910                    | 53,515                      |                               |                                | 308,280                         |                                 | 33,130                           |                                   | 109,415               |
| Total receipts   | 93,002,017                           | **                   | **                   | 5,392,690                 | 8,673,315                 | 7,584,673                   |                               |                                | 47,892,866                      |                                 | 9,034,728                        |                                   | 11,750,452            |
| Business receipts  | 91,968,684                           | **                   | **                   | 5,342,548                 | 8,630,705                 | 7,536,508                   |                               |                                | 47,356,739                      |                                 | 8,926,972                        |                                   | 11,522,698            |
| Cost of sales and operations   | 80,788,629                           | **                   | **                   | 4,383,720                 | 7,261,932                 | 6,505,542                   |                               |                                | 42,208,961                      |                                 | 8,099,472                        |                                   | 10,252,128            |
| Taxes paid   | 655,533                              | **                   | **                   | 51,451                    | 58,207                    | 53,321                      |                               |                                | 307,378                         |                                 | 49,489                           |                                   | 107,119               |
| Interest paid  | 366,977                              | **                   | **                   | 19,377                    | 23,786                    | 23,196                      |                               |                                | 185,941                         |                                 | 45,726                           |                                   | 59,777                |
| Depreciation   | 497,651                              | **                   | **                   | 38,577                    | 43,889                    | 40,192                      |                               |                                | 241,972                         |                                 | 36,703                           |                                   | 74,614                |
| Pension, profit—sharing, stock bonus, and annuity plans                            | 205,237                              | **                   | **                   | 11,547                    | 27,570                    | 23,283                      |                               |                                | 98,497                          |                                 | 13,282                           |                                   | 28,165                |
| Employee benefit programs  | 137,930                              | **                   | **                   | 5,591                     | 11,545                    | 10,885                      |                               |                                | 66,469                          |                                 | 14,656                           |                                   | 21,420                |
| Net income (less deficit)  | 1,046,448                            | **                   | **                   | 45,060                    | 88,698                    | 87,540                      |                               |                                | 579,252                         |                                 | 70,341                           |                                   | 174,886               |
| Net income   | 1,245,639                            | **                   | **                   | 82,429                    | 117,648                   | 103,878                     |                               |                                | 648,759                         |                                 | 77,990                           |                                   | 178,926               |
| Income subject to tax  | 968,121                              | **                   | **                   | 41,149                    | 75,697                    | 70,081                      |                               |                                | 523,344                         |                                 | 62,966                           |                                   | 170,882               |
| Income tax, total  | 401,714                              | **                   | **                   | 8,086                     | 22,384                    | 21,967                      |                               |                                | 231,506                         |                                 | 29,817                           |                                   | 81,561                |
| Additional tax for tax preferences   | *250                                 | —                    | —                    | —                         | —                         | —                           |                               |                                | *35                             |                                 | —                                |                                   | 215                   |
| Foreign tax credit   | 3,124                                | —                    | —                    | —                         | —                         | —                           |                               |                                | 1,411                           |                                 | 487                              |                                   | 1,226                 |
| U.S. possessions tax credit  | 88                                   | **                   | —                    | 31                        | 7                         | 50                          |                               |                                | —                               |                                 | —                                |                                   | —                     |
| Investment credit  | 35,818                               | **                   | **                   | 1,560                     | 1,925                     | 2,771                       |                               |                                | 18,374                          |                                 | 2,941                            |                                   | 7,880                 |
| Work incentive (WIN) credit  | 45                                   | **                   | —                    | —                         | —                         | —                           |                               |                                | 42                              |                                 | 3                                |                                   | —                     |
| Distributions to stockholders except in own stock                                  | 193,660                              | **                   | **                   | 16,869                    | 20,469                    | 14,748                      |                               |                                | 85,214                          |                                 | 17,596                           |                                   | 30,259                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Manufacturing: Miscellaneous Manufacturing and Manufacturing not Allocable |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 13,691                               | *199                 | 7,869               | 2,144                     | 1,380                     | 908                         | 932                           | 116                            | 84                              | 23                              | 19                               | 12                                | 5                     |
| Total assets   | 12,667,563                           | —                    | 279,419             | 365,714                   | 499,785                   | 653,392                     | 1,888,151                     | 802,793                        | 1,249,052                       | 792,992                         | 1,377,925                        | 1,707,166                         | 3,051,174             |
| Notes and accounts receivable, net   | 3,228,441                            | —                    | 76,283              | 105,656                   | 159,195                   | 175,721                     | 547,364                       | 189,761                        | 314,264                         | 199,156                         | 380,191                          | 461,150                           | 619,700               |
| Inventories  | 3,563,857                            | —                    | 66,474              | 101,369                   | 154,673                   | 207,598                     | 631,005                       | 261,509                        | 399,455                         | 250,866                         | 409,489                          | 358,718                           | 722,701               |
| Cash, Government obligations, and other current assets                     | 1,276,503                            | —                    | 40,001              | 79,983                    | 55,134                    | 69,939                      | 191,375                       | 96,807                         | 157,343                         | 73,897                          | 82,112                           | 255,628                           | 174,284               |
| Other investments and loans <sup>1</sup>                                   | 1,404,447                            | —                    | *3,695              | 10,859                    | 17,460                    | 43,602                      | 90,012                        | 63,229                         | 97,326                          | 58,634                          | 203,789                          | 191,379                           | 624,462               |
| Depreciable assets   | 4,719,971                            | —                    | 142,840             | 118,724                   | 207,127                   | 287,837                     | 689,799                       | 313,241                        | 441,418                         | 327,465                         | 444,689                          | 549,842                           | 1,196,989             |
| Less: Accumulated depreciation   | 2,299,035                            | —                    | 76,339              | 60,287                    | 118,252                   | 153,253                     | 351,294                       | 145,543                        | 217,007                         | 160,963                         | 219,736                          | 253,825                           | 542,536               |
| Other capital assets less reserves <sup>2</sup>                            | 290,985                              | —                    | 15,304              | *6,162                    | 12,553                    | 13,671                      | 40,611                        | 13,749                         | 24,071                          | 13,298                          | 21,576                           | 46,428                            | 83,562                |
| Accounts and notes payable <sup>1</sup>                                    | 2,726,058                            | —                    | 102,655             | 111,820                   | 165,400                   | 216,882                     | 602,449                       | 206,562                        | 294,816                         | 157,930                         | 247,266                          | 304,917                           | 315,360               |
| Other current liabilities  | 1,274,207                            | —                    | 26,803              | 26,767                    | 54,808                    | 51,458                      | 161,626                       | 83,601                         | 121,597                         | 90,412                          | 106,905                          | 246,309                           | 303,921               |
| Mortgages, notes, and bonds payable in one year or more                    | 2,255,544                            | —                    | 52,446              | 31,678                    | 100,312                   | 98,080                      | 229,348                       | 87,521                         | 180,742                         | 141,669                         | 240,627                          | 274,121                           | 819,000               |
| Net worth  | 6,007,926                            | —                    | 30,671              | 164,952                   | 155,652                   | 266,954                     | 839,313                       | 411,853                        | 630,281                         | 377,403                         | 753,053                          | 840,711                           | 1,537,083             |
| Cost of property used for investment credit                                | 400,254                              | *7,787               | 18,935              | 17,599                    | 20,242                    | 30,398                      | 66,894                        | 25,091                         | 34,313                          | 25,771                          | 33,340                           | 49,605                            | 70,279                |
| Total receipts   | 20,623,628                           | *171,971             | 796,912             | 1,000,322                 | 1,210,381                 | 1,343,127                   | 3,723,486                     | 1,377,015                      | 1,843,526                       | 1,094,719                       | 1,735,325                        | 2,329,163                         | 3,997,681             |
| Business receipts  | 20,060,721                           | *162,169             | 785,803             | 986,359                   | 1,193,453                 | 1,331,805                   | 3,673,714                     | 1,349,766                      | 1,798,194                       | 1,048,608                       | 1,691,324                        | 2,211,502                         | 3,828,024             |
| Cost of sales and operations   | 13,330,491                           | *117,377             | 465,402             | 702,950                   | 829,502                   | 884,077                     | 2,518,485                     | 913,298                        | 1,209,647                       | 685,010                         | 1,072,875                        | 1,418,919                         | 2,512,949             |
| Taxes paid   | 537,433                              | *3,368               | 27,790              | 24,091                    | 34,288                    | 40,110                      | 95,097                        | 36,103                         | 46,028                          | 25,661                          | 50,034                           | 57,363                            | 97,500                |
| Interest paid  | 349,646                              | *2,148               | 6,759               | 6,092                     | 17,902                    | 16,037                      | 46,123                        | 16,862                         | 28,345                          | 21,162                          | 27,512                           | 41,427                            | 119,277               |
| Depreciation   | 398,975                              | *8,428               | 17,133              | 11,380                    | 17,687                    | 24,194                      | 54,951                        | 29,160                         | 31,633                          | 22,505                          | 33,489                           | 49,632                            | 98,783                |
| Pension, profit-sharing, stock bonus, and annuity plans                    | 153,619                              | *4,473               | *967                | *6,558                    | 8,103                     | 9,340                       | 24,237                        | 8,262                          | 14,775                          | 8,064                           | 12,335                           | 15,978                            | 40,527                |
| Employee benefit programs  | 130,071                              | *473                 | 3,782               | 2,518                     | 6,821                     | 7,123                       | 17,231                        | 4,537                          | 9,117                           | 7,200                           | 10,546                           | 17,529                            | 43,194                |
| Net income (less deficit)  | 1,163,947                            | *9,911               | —2,403              | 11,409                    | 14,701                    | 39,037                      | 165,012                       | 107,599                        | 113,016                         | 98,382                          | 152,438                          | 191,454                           | 263,391               |
| Net income   | 1,328,749                            | *11,835              | 20,203              | 30,880                    | 49,040                    | 58,562                      | 199,765                       | 118,554                        | 128,144                         | 98,614                          | 157,514                          | 192,247                           | 263,391               |
| Income subject to tax  | 1,227,599                            | *8,942               | 7,871               | 29,779                    | 39,477                    | 43,545                      | 173,020                       | 114,964                        | 122,318                         | 93,462                          | 151,291                          | 187,943                           | 254,987               |
| Income tax, total  | 545,664                              | *4,023               | 1,473               | 6,545                     | 12,607                    | 14,993                      | 74,487                        | 54,313                         | 57,615                          | 44,619                          | 72,428                           | 84,771                            | 117,790               |
| Additional tax for tax preferences   | *95                                  | —                    | —                   | —                         | —                         | —                           | *52                           | *28                            | —                               | —                               | 15                               | —                                 | —                     |
| Foreign tax credit   | 39,386                               | —                    | —                   | —                         | —                         | —                           | 177                           | 308                            | 318                             | 4,609                           | 3,124                            | 13,180                            | 17,670                |
| U.S. possessions tax credit  | 14,441                               | —                    | —                   | —                         | 74                        | 104                         | 1,722                         | 8,861                          | 3,680                           | —                               | —                                | —                                 | —                     |
| Investment credit  | 30,605                               | *1,382               | 614                 | 457                       | 1,053                     | 2,303                       | 4,181                         | 1,882                          | 2,556                           | 2,590                           | 2,632                            | 3,114                             | 7,841                 |
| Work incentive (WIN) credit  | 477                                  | —                    | —                   | *134                      | *165                      | *104                        | *3                            | *17                            | 3                               | 21                              | 9                                | 8                                 | 13                    |
| Distributions to stockholders except in own stock                          | 142,593                              | *1,891               | *595                | *462                      | *6,159                    | *4,072                      | 13,605                        | 10,245                         | 9,528                           | 9,258                           | 18,571                           | 14,406                            | 53,801                |
| Total Transportation and Public Utilities                                  |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 81,373                               | 1,681                | 44,611              | 15,941                    | 8,774                     | 4,677                       | 4,158                         | 609                            | 366                             | 147                             | 91                               | 101                               | 217                   |
| Total assets   | 486,241,965                          | —                    | 1,576,732           | 2,538,974                 | 3,075,262                 | 3,262,335                   | 8,314,423                     | 4,257,212                      | 5,744,143                       | 5,285,130                       | 6,363,125                        | 16,300,510                        | 429,524,119           |
| Notes and accounts receivable, net   | 32,368,370                           | —                    | 263,800             | 482,622                   | 596,944                   | 662,900                     | 1,406,752                     | 660,410                        | 893,324                         | 700,027                         | 855,858                          | 1,417,123                         | 24,428,610            |
| Inventories  | 15,265,600                           | —                    | 26,545              | 40,030                    | 49,893                    | 74,223                      | 224,424                       | 96,640                         | 153,570                         | 140,241                         | 229,750                          | 612,260                           | 13,618,024            |
| Cash, Government obligations, and other current assets                     | 29,304,469                           | —                    | 315,680             | 427,339                   | 464,421                   | 517,222                     | 1,209,756                     | 511,318                        | 680,653                         | 597,165                         | 580,550                          | 1,248,223                         | 22,752,142            |
| Other investments and loans <sup>1</sup>                                   | 37,268,743                           | —                    | 71,305              | 144,241                   | 181,448                   | 196,318                     | 537,904                       | 361,570                        | 416,489                         | 400,353                         | 646,508                          | 1,481,416                         | 32,831,191            |
| Depreciable assets   | 471,540,941                          | —                    | 1,519,447           | 2,520,410                 | 3,060,026                 | 2,986,042                   | 7,192,224                     | 3,713,896                      | 5,018,700                       | 4,782,164                       | 5,465,685                        | 14,247,810                        | 421,034,537           |
| Less: Accumulated depreciation   | 119,539,506                          | —                    | 791,947             | 1,279,213                 | 1,539,948                 | 1,495,262                   | 3,053,366                     | 1,545,049                      | 1,979,747                       | 1,862,267                       | 1,999,734                        | 3,854,416                         | 100,138,557           |
| Other capital assets less reserves <sup>2</sup>                            | 6,831,196                            | —                    | 24,765              | 90,588                    | 97,022                    | 166,359                     | 368,899                       | 257,336                        | 274,650                         | 225,502                         | 226,882                          | 395,350                           | 4,703,843             |
| Accounts and notes payable <sup>1</sup>                                    | 40,557,176                           | —                    | 426,785             | 682,517                   | 710,335                   | 904,255                     | 1,874,362                     | 905,051                        | 1,003,003                       | 775,216                         | 925,667                          | 1,878,284                         | 30,471,701            |
| Other current liabilities  | 44,539,257                           | —                    | 94,143              | 147,577                   | 213,728                   | 252,784                     | 713,667                       | 353,676                        | 558,258                         | 661,321                         | 636,195                          | 1,374,819                         | 39,533,089            |
| Mortgages, notes, and bonds payable in one year or more                    | 179,360,163                          | —                    | 343,968             | 566,183                   | 797,775                   | 887,642                     | 2,621,959                     | 1,621,453                      | 1,738,958                       | 1,754,985                       | 2,247,051                        | 6,077,354                         | 160,702,835           |
| Net worth  | 195,941,447                          | —                    | 443,066             | 771,718                   | 1,057,127                 | 955,713                     | 2,653,934                     | 1,180,555                      | 2,119,992                       | 1,860,557                       | 2,130,651                        | 5,824,466                         | 176,943,668           |
| Cost of property used for investment credit                                | 44,450,216                           | 95,106               | 216,112             | 326,157                   | 367,829                   | 344,990                     | 855,888                       | 364,215                        | 493,863                         | 381,708                         | 452,939                          | 1,362,890                         | 3,188,519             |
| Total receipts   | 282,758,334                          | 3,000,287            | 4,919,670           | 5,988,655                 | 5,893,274                 | 6,416,790                   | 12,245,500                    | 4,765,167                      | 6,839,658                       | 5,875,810                       | 6,747,335                        | 12,004,360                        | 208,061,828           |
| Business receipts  | 273,044,567                          | 2,922,691            | 4,835,289           | 5,873,912                 | 5,806,551                 | 6,265,839                   | 11,890,441                    | 4,603,687                      | 6,626,392                       | 5,715,788                       | 6,559,567                        | 11,615,249                        | 200,689,161           |
| Cost of sales and operations   | 168,957,540                          | 1,478,711            | 3,165,131           | 3,716,328                 | 3,835,208                 | 4,007,635                   | 7,796,670                     | 2,978,102                      | 4,464,298                       | 3,680,316                       | 4,565,039                        | 8,132,856                         | 121,137,246           |
| Taxes paid   | 17,368,233                           | 79,214               | 157,290             | 230,644                   | 236,459                   | 255,990                     | 484,455                       | 210,954                        | 302,804                         | 286,433                         | 297,076                          | 480,847                           | 14,346,067            |
| Interest paid  | 14,514,247                           | 108,480              | 44,244              | 79,415                    | 105,660                   | 117,130                     | 247,200                       | 131,983                        | 166,993                         | 160,615                         | 210,426                          | 526,572                           | 12,615,574            |
| Depreciation   | 24,936,217                           | 161,918              | 177,917             | 270,489                   | 305,159                   | 284,105                     | 583,343                       | 255,732                        | 346,137                         | 321,245                         | 316,607                          | 814,166                           | 21,099,399            |
| Pension, profit-sharing, stock bonus, and annuity plans                    | 4,819,738                            | 5,309                | 8,865               | 26,397                    | 30,115                    | 52,134                      | 104,794                       | 61,709                         | 74,533                          | 72,444                          | 91,149                           | 119,546                           | 417,743               |
| Employee benefit programs  | 2,465,697                            | 6,934                | 11,771              | 31,911                    | 34,648                    | 48,270                      | 93,166                        | 46,953                         | 73,085                          | 64,368                          | 61,126                           | 67,024                            | 1,926,441             |
| Net income (less deficit)  | 14,499,740                           | —45,626              | 11,652              | 115,423                   | 131,965                   | 187,205                     | 478,603                       | 254,151                        | 364,096                         | 340,167                         | 301,323                          | 552,654                           | 11,808,127            |
| Net income   | 16,607,843                           | 95,745               | 140,992             | 216,692                   | 230,668                   | 265,602                     | 616,006                       | 298,879                        | 432,242                         | 386,575                         | 339,060                          | 754,289                           | 12,831,093            |
| Income subject to tax  | 15,265,182                           | 90,671               | 75,532              | 147,414                   | 186,758                   | 198,693                     | 501,281                       | 256,026                        | 384,254                         | 364,697                         | 294,515                          | 700,568                           | 12,064,773            |
| Income tax, total  | 7,143,516                            | 43,135               | 15,166              | 34,030                    | 53,072                    | 70,863                      | 212,492                       | 116,567                        | 179,097                         | 173,212                         | 139,673                          | 330,836                           | 5,775,375             |
| Additional tax for tax preferences   | 8,812                                | *3                   | —                   | —                         | —                         | —                           | *4                            | *8                             | 80                              | 149                             | 86                               | 45                                | 8,437                 |
| Foreign tax credit   | 116,393                              | —                    | —                   | —                         | —                         | *24                         | *1,054                        | *1,857                         | 3,160                           | 296                             | 3,698                            | 18,543                            | 87,761                |
| U.S. possessions tax credit  | 18,176                               | —                    | 105                 | —                         | 63                        | 49                          | 66                            | 746                            | —                               | —                               | —                                | —                                 | 17,147                |
| Investment credit  | 3,234,961                            | 10,707               | 4,651               | 12,951                    | 13,654                    | 15,453                      | 41,874                        | 19,169                         | 28,187                          | 26,280                          | 27,137                           | 81,137                            | 2,953,761             |
| Work incentive (WIN) credit  | 192                                  | *3                   | —                   | —                         | —                         | *13                         | *8                            | *12                            | 3                               | 13                              | 5                                | 5                                 | 130                   |
| Distributions to stockholders except in own stock                          | 10,797,172                           | 23,622               | 18,010              | 8,825                     | 18,563                    | 27,975                      | 79,320                        | 45,133                         | 82,356                          | 83,989                          | 93,956                           | 248,087                           | 10,067,336            |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Wholesale and Retail Trade: Wholesale Trade: Machinery, Equipment, and Supplies</b> |                                      |                      |                     |                           |                           |                             | ...                           | ...                            | ...                             | ...                             |                                  | ...                               | ...                   |
| Number of returns  | 49,849                               | **                   | **                  | 11,210                    | 8,014                     | 6,318                       |                               |                                | 5,164                           |                                 | 31                               |                                   | 17                    |
| Total assets   | 32,887,825                           | —                    | **                  | 1,806,001                 | 2,856,451                 | 4,495,530                   |                               |                                | 16,503,164                      |                                 | 2,151,241                        |                                   | 4,361,799             |
| Notes and accounts receivable, net   | 10,617,718                           | —                    | **                  | 556,090                   | 865,502                   | 1,224,665                   |                               |                                | 5,291,796                       |                                 | 829,359                          |                                   | 1,645,652             |
| Inventories  | 11,856,214                           | —                    | **                  | 619,181                   | 1,093,314                 | 2,047,125                   |                               |                                | 6,194,722                       |                                 | 748,586                          |                                   | 956,653               |
| Cash, Government obligations, and other current assets                                 | 3,034,330                            | —                    | **                  | 222,880                   | 369,542                   | 451,783                     |                               |                                | 1,448,455                       |                                 | 96,612                           |                                   | 306,834               |
| Other investments and loans <sup>1</sup>   | 2,418,109                            | —                    | **                  | 89,177                    | 100,074                   | 176,678                     |                               |                                | 971,717                         |                                 | 227,980                          |                                   | 810,121               |
| Depreciable assets   | 6,230,650                            | —                    | **                  | 480,581                   | 599,941                   | 844,602                     |                               |                                | 3,293,699                       |                                 | 257,498                          |                                   | 556,312               |
| Less: Accumulated depreciation   | 2,671,864                            | —                    | **                  | 219,000                   | 276,398                   | 370,502                     |                               |                                | 1,366,728                       |                                 | 100,789                          |                                   | 236,572               |
| Other capital assets less reserves <sup>2</sup>  | 501,474                              | —                    | **                  | 23,825                    | 42,309                    | 74,483                      |                               |                                | 273,493                         |                                 | 37,708                           |                                   | 39,036                |
| Accounts and notes payable <sup>3</sup>  | 12,049,457                           | —                    | **                  | 601,476                   | 1,121,708                 | 1,868,417                   |                               |                                | 6,359,864                       |                                 | 584,138                          |                                   | 1,277,437             |
| Other current liabilities  | 2,228,353                            | —                    | **                  | 135,296                   | 205,313                   | 306,184                     |                               |                                | 1,180,458                       |                                 | 141,533                          |                                   | 203,388               |
| Mortgages, notes, and bonds payable in one year or more                                | 3,341,701                            | —                    | **                  | 170,938                   | 233,693                   | 382,103                     |                               |                                | 1,753,031                       |                                 | 299,716                          |                                   | 444,004               |
| Net worth  | 13,901,824                           | —                    | **                  | 723,771                   | 1,097,898                 | 1,717,294                   |                               |                                | 6,637,854                       |                                 | 1,107,698                        |                                   | 2,375,697             |
| Cost of property used for investment credit  | 1,043,700                            | —                    | **                  | 98,919                    | 96,013                    | 134,145                     |                               |                                | 568,704                         |                                 | 27,828                           |                                   | 72,835                |
| Total receipts   | 70,905,888                           | **                   | **                  | 5,173,492                 | 7,955,511                 | 10,923,148                  |                               |                                | 32,758,890                      |                                 | 3,197,533                        |                                   | 7,207,243             |
| Business receipts  | 69,157,436                           | **                   | **                  | 5,073,245                 | 7,788,890                 | 10,692,852                  |                               |                                | 31,868,916                      |                                 | 3,080,719                        |                                   | 7,043,116             |
| Cost of sales and operations   | 51,861,551                           | **                   | **                  | 3,417,569                 | 5,790,927                 | 8,078,345                   |                               |                                | 24,084,983                      |                                 | 2,338,696                        |                                   | 5,612,266             |
| Taxes paid   | 840,582                              | **                   | **                  | 83,760                    | 111,045                   | 132,956                     |                               |                                | 393,899                         |                                 | 35,262                           |                                   | 38,279                |
| Interest paid  | 743,432                              | **                   | **                  | 33,333                    | 53,389                    | 85,363                      |                               |                                | 405,611                         |                                 | 51,444                           |                                   | 94,358                |
| Depreciation   | 745,327                              | **                   | **                  | 59,197                    | 65,119                    | 97,896                      |                               |                                | 399,801                         |                                 | 22,442                           |                                   | 62,617                |
| Pension, profit—sharing, stock bonus, and annuity plans                                | 290,062                              | **                   | **                  | 26,283                    | 30,351                    | 49,392                      |                               |                                | 148,390                         |                                 | 12,587                           |                                   | 10,478                |
| Employee benefit programs  | 163,994                              | **                   | **                  | 10,287                    | 16,895                    | 28,854                      |                               |                                | 80,351                          |                                 | 9,368                            |                                   | 11,769                |
| Net income (less deficit)  | 3,940,530                            | **                   | **                  | 176,214                   | 243,957                   | 418,729                     |                               |                                | 1,876,506                       |                                 | 329,728                          |                                   | 813,582               |
| Net income   | 4,227,480                            | **                   | **                  | 213,340                   | 281,121                   | 447,742                     |                               |                                | 2,011,540                       |                                 | 330,449                          |                                   | 813,796               |
| Income subject to tax  | 2,122,226                            | **                   | **                  | 143,325                   | 181,593                   | 301,313                     |                               |                                | 1,122,977                       |                                 | 162,900                          |                                   | 142,053               |
| Income tax, total  | 841,138                              | **                   | **                  | 32,695                    | 45,461                    | 101,067                     |                               |                                | 499,355                         |                                 | 77,739                           |                                   | 68,426                |
| Additional tax for tax preferences   | 43                                   | —                    | —                   | —                         | —                         | —                           |                               |                                | 43                              |                                 | —                                |                                   | —                     |
| Foreign tax credit   | 10,425                               | **                   | **                  | —                         | —                         | —                           | 1,508                         |                                | 2,706                           |                                 | 2,274                            |                                   | 3,834                 |
| U.S. possessions tax credit  | 38                                   | —                    | —                   | —                         | 38                        | —                           | —                             |                                | —                               |                                 | —                                |                                   | —                     |
| Investment credit  | 53,364                               | **                   | **                  | 3,641                     | 3,854                     | 6,153                       |                               |                                | 30,827                          |                                 | 1,782                            |                                   | 6,628                 |
| Work incentive (WIN) credit  | 85                                   | **                   | **                  | 67                        | —                         | —                           | —                             |                                | 16                              |                                 | 1                                |                                   | 1                     |
| Distributions to stockholders except in own stock                                      | 934,249                              | **                   | **                  | 20,063                    | 44,323                    | 61,785                      |                               |                                | 466,598                         |                                 | 62,152                           |                                   | 264,749               |
| <b>Wholesale and Retail Trade: Wholesale Trade: Miscellaneous Wholesale Trade</b>      |                                      |                      |                     |                           |                           |                             | ...                           | ...                            | ...                             | ...                             |                                  |                                   |                       |
| Number of returns  | 156,716                              | **                   | **                  | 31,733                    | 23,538                    | 17,152                      |                               |                                | 18,313                          |                                 | 124                              |                                   | 57                    |
| Total assets   | 140,840,896                          | —                    | **                  | 5,159,335                 | 8,331,669                 | 12,173,682                  |                               |                                | 61,826,067                      |                                 | 8,709,409                        |                                   | 9,379,403             |
| Notes and accounts receivable, net   | 46,117,590                           | —                    | **                  | 1,533,382                 | 2,600,299                 | 3,962,672                   |                               |                                | 20,892,022                      |                                 | 2,869,333                        |                                   | 10,966,948            |
| Inventories  | 39,592,718                           | —                    | **                  | 1,601,152                 | 2,585,135                 | 3,935,304                   |                               |                                | 20,037,328                      |                                 | 2,371,703                        |                                   | 3,087,962             |
| Cash, Government obligations, and other current assets                                 | 14,536,652                           | —                    | **                  | 790,943                   | 1,198,078                 | 1,476,543                   |                               |                                | 6,344,243                       |                                 | 781,349                          |                                   | 873,726               |
| Other investments and loans <sup>1</sup>   | 17,950,606                           | —                    | **                  | 234,792                   | 349,260                   | 607,099                     |                               |                                | 4,732,191                       |                                 | 1,167,578                        |                                   | 1,139,513             |
| Depreciable assets   | 29,296,711                           | —                    | **                  | 1,482,050                 | 2,440,170                 | 3,178,647                   |                               |                                | 13,159,410                      |                                 | 1,663,212                        |                                   | 1,776,420             |
| Less: Accumulated depreciation   | 12,600,254                           | —                    | **                  | 735,400                   | 1,230,913                 | 1,525,162                   |                               |                                | 5,861,816                       |                                 | 675,568                          |                                   | 1,539,666             |
| Other capital assets less reserves <sup>2</sup>  | 2,948,554                            | —                    | **                  | 118,059                   | 266,734                   | 313,839                     |                               |                                | 1,376,831                       |                                 | 242,491                          |                                   | 415,296               |
| Accounts and notes payable <sup>3</sup>  | 56,763,726                           | —                    | **                  | 1,733,383                 | 2,807,905                 | 4,763,445                   |                               |                                | 25,624,307                      |                                 | 3,414,793                        |                                   | 3,819,565             |
| Other current liabilities  | 9,898,176                            | —                    | **                  | 306,449                   | 560,252                   | 844,389                     |                               |                                | 4,260,195                       |                                 | 677,214                          |                                   | 2,163,939             |
| Mortgages, notes, and bonds payable in one year or more                                | 14,307,903                           | —                    | **                  | 529,184                   | 799,932                   | 1,138,291                   |                               |                                | 5,407,528                       |                                 | 1,079,519                        |                                   | 3,949,665             |
| Net worth  | 54,627,721                           | **                   | **                  | 2,113,023                 | 3,678,786                 | 4,803,537                   |                               |                                | 24,396,044                      |                                 | 3,284,958                        |                                   | 3,358,340             |
| Cost of property used for investment credit  | 3,619,774                            | **                   | **                  | 193,617                   | 309,539                   | 400,228                     |                               |                                | 1,527,304                       |                                 | 180,008                          |                                   | 187,254               |
| Total receipts   | 422,674,347                          | **                   | **                  | 19,844,660                | 28,600,846                | 41,598,024                  |                               |                                | 178,812,771                     |                                 | 20,772,569                       |                                   | 28,453,580            |
| Business receipts  | 415,902,984                          | **                   | **                  | 19,520,068                | 28,163,517                | 41,080,560                  |                               |                                | 176,172,608                     |                                 | 20,408,621                       |                                   | 28,010,432            |
| Cost of sales and operations   | 354,745,749                          | **                   | **                  | 15,203,278                | 22,188,741                | 33,463,827                  |                               |                                | 146,894,611                     |                                 | 17,906,044                       |                                   | 25,249,685            |
| Taxes paid   | 4,762,304                            | **                   | **                  | 284,749                   | 476,026                   | 585,966                     |                               |                                | 2,522,610                       |                                 | 140,932                          |                                   | 165,037               |
| Interest paid  | 3,193,432                            | **                   | **                  | 92,889                    | 149,227                   | 248,006                     |                               |                                | 1,267,024                       |                                 | 185,731                          |                                   | 240,032               |
| Depreciation   | 2,559,256                            | **                   | **                  | 150,134                   | 235,442                   | 315,786                     |                               |                                | 1,128,455                       |                                 | 126,480                          |                                   | 138,987               |
| Pension, profit—sharing, stock bonus, and annuity plans                                | 1,083,503                            | **                   | **                  | 53,822                    | 116,935                   | 153,574                     |                               |                                | 522,385                         |                                 | 34,113                           |                                   | 56,374                |
| Employee benefit programs  | 572,128                              | **                   | **                  | 27,460                    | 44,180                    | 58,891                      |                               |                                | 256,142                         |                                 | 49,292                           |                                   | 74,883                |
| Net income (less deficit)  | 10,753,564                           | **                   | **                  | 347,504                   | 640,441                   | 874,161                     |                               |                                | 5,335,315                       |                                 | 678,100                          |                                   | 770,787               |
| Net income   | 12,398,580                           | **                   | **                  | 479,384                   | 760,559                   | 1,031,796                   |                               |                                | 5,996,917                       |                                 | 732,515                          |                                   | 824,487               |
| Income subject to tax  | 8,153,265                            | **                   | **                  | 297,784                   | 530,148                   | 718,460                     |                               |                                | 3,940,452                       |                                 | 386,801                          |                                   | 541,078               |
| Income tax, total  | 3,401,798                            | **                   | **                  | 68,096                    | 139,435                   | 237,140                     |                               |                                | 1,736,517                       |                                 | 182,031                          |                                   | 242,717               |
| Additional tax for tax preferences   | 1,858                                | —                    | —                   | —                         | —                         | —                           |                               |                                | 319                             |                                 | 35                               |                                   | 1,431                 |
| Foreign tax credit   | 591,501                              | **                   | **                  | 402                       | —                         | 77                          |                               |                                | 15,101                          |                                 | 12,672                           |                                   | 15,317                |
| U.S. possessions tax credit  | 9,378                                | **                   | **                  | —                         | 73                        | 87                          |                               |                                | 9,218                           |                                 | —                                |                                   | —                     |
| Investment credit  | 178,253                              | **                   | **                  | 6,717                     | 14,160                    | 18,787                      |                               |                                | 83,522                          |                                 | 9,307                            |                                   | 12,978                |
| Work incentive (WIN) credit  | 273                                  | **                   | **                  | 114                       | —                         | 13                          |                               |                                | 123                             |                                 | 8                                |                                   | 14                    |
| Distributions to stockholders except in own stock                                      | 2,198,614                            | **                   | **                  | 63,493                    | 89,585                    | 154,636                     |                               |                                | 1,165,125                       |                                 | 167,734                          |                                   | 207,053               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Wholesale and Retail Trade: Total Retail Trade   |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 407,666                              | 11,373               | 221,150             | 88,789                    | 45,006                    | 23,589                      | 15,795                        | 1,080                          | 493                             | 175                             | 99                               | 74                                | 43                    |
| Total assets   | 178,423,569                          | —                    | 8,794,007           | 13,852,604                | 15,801,654                | 16,310,380                  | 29,684,642                    | 7,364,163                      | 7,549,264                       | 6,252,336                       | 7,175,810                        | 11,562,149                        | 54,076,560            |
| Notes and accounts receivable, net   | 34,600,286                           | —                    | 867,494             | 1,679,032                 | 2,451,852                 | 2,611,246                   | 5,009,207                     | 1,343,429                      | 1,257,488                       | 814,214                         | 964,464                          | 1,544,837                         | 16,057,023            |
| Inventories  | 62,560,582                           | —                    | 3,287,052           | 5,475,035                 | 6,317,897                 | 7,485,658                   | 13,140,611                    | 2,645,280                      | 2,552,099                       | 2,141,718                       | 2,221,772                        | 3,521,939                         | 13,771,521            |
| Cash, Government obligations, and other current assets   | 18,440,324                           | —                    | 1,375,044           | 1,895,855                 | 2,183,680                 | 1,865,895                   | 3,070,065                     | 773,630                        | 828,489                         | 740,635                         | 818,780                          | 1,189,261                         | 3,698,990             |
| Other investments and loans¹   | 12,116,957                           | —                    | 386,206             | 661,051                   | 742,572                   | 731,377                     | 1,416,455                     | 381,201                        | 513,877                         | 402,808                         | 735,154                          | 969,521                           | 5,176,735             |
| Depreciable assets   | 69,344,534                           | —                    | 4,519,112           | 5,762,578                 | 5,745,302                 | 5,220,388                   | 9,359,724                     | 2,823,109                      | 3,079,510                       | 2,919,149                       | 3,096,454                        | 5,734,638                         | 21,084,570            |
| Less: Accumulated depreciation   | 29,396,597                           | —                    | 2,266,786           | 2,636,417                 | 2,662,714                 | 2,418,006                   | 4,084,486                     | 1,141,407                      | 1,202,275                       | 1,181,405                       | 1,151,672                        | 2,336,795                         | 8,314,634             |
| Other capital assets less reserves²  | 6,489,186                            | —                    | 222,261             | 515,748                   | 630,103                   | 496,966                     | 1,168,006                     | 348,891                        | 325,254                         | 301,620                         | 273,297                          | 627,891                           | 1,579,149             |
| Accounts and notes payable¹  | 54,970,935                           | —                    | 2,534,505           | 3,942,954                 | 5,188,885                 | 6,399,741                   | 12,304,838                    | 2,716,590                      | 2,262,512                       | 1,396,065                       | 1,516,595                        | 2,536,597                         | 14,171,653            |
| Other current liabilities  | 16,862,350                           | —                    | 642,140             | 947,136                   | 1,101,457                 | 1,148,338                   | 2,372,652                     | 678,955                        | 729,287                         | 711,885                         | 722,673                          | 1,243,184                         | 6,564,643             |
| Mortgages, notes, and bonds payable in one year or more  | 29,448,194                           | —                    | 1,436,811           | 2,418,260                 | 2,421,625                 | 2,090,510                   | 3,814,309                     | 1,134,159                      | 1,243,505                       | 1,061,543                       | 1,388,175                        | 2,338,700                         | 10,100,597            |
| Net worth  | 65,158,995                           | —                    | 2,350,381           | 5,092,444                 | 5,833,992                 | 5,694,366                   | 9,994,644                     | 2,551,958                      | 3,000,963                       | 2,830,097                       | 3,229,442                        | 4,941,106                         | 19,639,602            |
| Cost of property used for investment credit  | 6,688,651                            | 20,915               | 533,561             | 578,945                   | 566,201                   | 480,895                     | 1,010,951                     | 325,511                        | 340,989                         | 264,736                         | 382,755                          | 537,731                           | 1,645,461             |
| Total receipts   | 527,191,774                          | 2,945,249            | 39,058,121          | 42,717,138                | 51,110,046                | 55,401,349                  | 107,101,059                   | 21,967,784                     | 21,249,940                      | 18,585,798                      | 20,499,221                       | 33,679,882                        | 112,876,187           |
| Business receipts  | 517,516,840                          | 2,881,911            | 38,697,818          | 42,225,559                | 50,508,976                | 54,522,385                  | 105,103,941                   | 21,424,883                     | 20,695,890                      | 18,049,169                      | 19,998,633                       | 32,935,800                        | 110,471,875           |
| Cost of sales and operations   | 374,631,095                          | 2,137,301            | 25,407,373          | 28,092,803                | 36,919,323                | 41,810,796                  | 83,128,085                    | 16,236,939                     | 14,996,732                      | 12,776,313                      | 14,235,686                       | 23,080,817                        | 75,808,927            |
| Taxes paid   | 9,330,746                            | 63,584               | 971,684             | 900,811                   | 897,090                   | 787,325                     | 1,425,501                     | 321,358                        | 341,221                         | 386,454                         | 370,898                          | 676,771                           | 2,188,039             |
| Interest paid  | 4,481,443                            | 19,354               | 211,629             | 350,429                   | 417,023                   | 461,771                     | 880,960                       | 201,809                        | 179,015                         | 125,398                         | 161,669                          | 235,871                           | 1,236,515             |
| Depreciation   | 6,035,293                            | 29,099               | 482,384             | 545,114                   | 508,792                   | 452,876                     | 862,716                       | 277,193                        | 292,090                         | 251,076                         | 262,100                          | 490,299                           | 1,581,554             |
| Pension, profit—sharing, stock bonus, and annuity plans  | 1,665,269                            | 2,829                | 39,945              | 73,818                    | 124,247                   | 141,002                     | 259,770                       | 57,209                         | 59,673                          | 62,984                          | 71,078                           | 115,792                           | 656,922               |
| Employee benefit programs  | 1,408,761                            | 6,178                | 56,902              | 69,417                    | 103,329                   | 107,325                     | 204,425                       | 47,758                         | 50,863                          | 63,969                          | 69,232                           | 159,276                           | 470,087               |
| Net income (less deficit)  | 10,279,499                           | —48,229              | 22,251              | 721,589                   | 872,880                   | 913,629                     | 1,834,632                     | 447,305                        | 492,261                         | 526,914                         | 529,788                          | 926,600                           | 3,039,879             |
| Net income   | 12,871,946                           | 86,613               | 825,505             | 1,137,327                 | 1,161,875                 | 1,118,769                   | 2,109,019                     | 539,071                        | 592,561                         | 611,537                         | 588,906                          | 1,015,060                         | 3,085,703             |
| Income subject to tax  | 10,991,010                           | 60,400               | 406,150             | 787,328                   | 825,718                   | 885,719                     | 1,859,182                     | 500,037                        | 545,762                         | 573,689                         | 558,496                          | 973,103                           | 3,011,966             |
| Income tax, total  | 4,497,707                            | 23,881               | 83,627              | 189,328                   | 212,291                   | 284,078                     | 768,020                       | 230,638                        | 258,168                         | 272,793                         | 267,298                          | 466,582                           | 1,441,003             |
| Additional tax for tax preferences   | 313                                  | —                    | —                   | —                         | —                         | *169                        | *90                           | *91                            | 32                              | 4                               | 18                               | —                                 | —                     |
| Foreign tax credit   | 83,843                               | —                    | —                   | —                         | —                         | —                           | 532                           | —                              | 1,090                           | 618                             | 1,830                            | 648                               | 79,034                |
| U.S. possessions tax credit  | 7,996                                | —                    | 59                  | 163                       | 91                        | 591                         | 452                           | —                              | —                               | 2,342                           | 4,298                            | —                                 | —                     |
| Investment credit  | 406,953                              | 1,279                | 11,384              | 18,455                    | 22,200                    | 24,017                      | 52,409                        | 16,315                         | 20,030                          | 21,045                          | 25,834                           | 43,319                            | 150,666               |
| Work incentive (WIN) credit  | 541                                  | —                    | *1                  | *68                       | *66                       | 106                         | 102                           | *3                             | 16                              | 10                              | 8                                | 40                                | —                     |
| Distributions to stockholders except in own stock  | 2,069,605                            | 61,809               | 153,497             | 168,221                   | 146,958                   | 130,374                     | 176,355                       | 40,483                         | 45,417                          | 70,704                          | 66,315                           | 128,308                           | 881,164               |
| Wholesale and Retail Trade: Retail Trade: Building Materials, Garden Supplies, and Mobile Home Dealers |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 30,988                               | *532                 | 10,319              | 9,281                     | 5,529                     | 3,333                       | 1,820                         | 104                            | 45                              | 18                              | 7                                | —                                 | —                     |
| Total assets   | 12,549,274                           | —                    | 473,117             | 1,486,559                 | 1,957,869                 | 2,301,348                   | 3,432,703                     | 696,846                        | 647,142                         | 570,169                         | 983,521                          | —                                 | —                     |
| Notes and accounts receivable, net   | 2,863,163                            | —                    | 56,790              | 228,473                   | 430,119                   | 550,960                     | 949,276                       | 152,603                        | 128,590                         | 113,439                         | 252,913                          | —                                 | —                     |
| Inventories  | 4,967,935                            | —                    | 240,130             | 696,125                   | 795,479                   | 973,764                     | 1,218,555                     | 259,257                        | 241,956                         | 198,381                         | 344,288                          | —                                 | —                     |
| Cash, Government obligations, and other current assets   | 1,188,405                            | —                    | 70,154              | 155,900                   | 236,963                   | 223,982                     | 277,563                       | 50,217                         | 57,304                          | 36,464                          | 79,588                           | —                                 | —                     |
| Other investments and loans¹   | 739,995                              | —                    | 23,180              | 65,102                    | 104,853                   | 98,539                      | 222,240                       | 49,823                         | 33,063                          | 57,088                          | 86,107                           | —                                 | —                     |
| Depreciable assets   | 3,855,061                            | —                    | 133,192             | 490,882                   | 584,355                   | 679,282                     | 1,056,365                     | 216,405                        | 200,353                         | 192,753                         | 301,474                          | —                                 | —                     |
| Less: Accumulated depreciation   | 1,799,670                            | —                    | 69,839              | 228,900                   | 289,364                   | 348,614                     | 494,286                       | 93,850                         | 74,199                          | 73,818                          | 126,800                          | —                                 | —                     |
| Other capital assets less reserves²  | 491,083                              | —                    | 9,385               | 53,469                    | 65,118                    | 84,812                      | 129,495                       | 40,327                         | 37,312                          | 42,291                          | 28,874                           | —                                 | —                     |
| Accounts and notes payable¹  | 3,594,355                            | —                    | 121,303             | 371,380                   | 513,902                   | 783,897                     | 1,044,508                     | 248,890                        | 172,153                         | 108,832                         | 229,490                          | —                                 | —                     |
| Other current liabilities  | 928,626                              | —                    | 34,603              | 98,064                    | 121,470                   | 166,019                     | 245,513                       | 53,557                         | 50,624                          | 54,660                          | 104,116                          | —                                 | —                     |
| Mortgages, notes, and bonds payable in one year or more  | 1,790,451                            | —                    | 47,491              | 248,837                   | 257,062                   | 254,175                     | 412,216                       | 121,657                        | 100,240                         | 105,367                         | 243,406                          | —                                 | —                     |
| Net worth  | 5,493,088                            | —                    | 189,568             | 636,601                   | 931,917                   | 966,707                     | 1,593,771                     | 235,296                        | 285,312                         | 282,706                         | 371,210                          | —                                 | —                     |
| Cost of property used for investment credit  | 373,127                              | *68                  | 18,035              | 49,611                    | 58,190                    | 65,940                      | 120,270                       | 15,628                         | 14,757                          | 11,668                          | 18,960                           | —                                 | —                     |
| Total receipts   | 29,646,845                           | *168,684             | 1,467,902           | 3,513,203                 | 4,794,170                 | 5,648,484                   | 8,149,520                     | 1,721,109                      | 1,331,229                       | 1,049,985                       | 1,802,559                        | —                                 | —                     |
| Business receipts  | 29,027,428                           | *168,287             | 1,444,856           | 3,465,045                 | 4,707,015                 | 5,520,260                   | 7,986,499                     | 1,671,076                      | 1,293,994                       | 1,014,035                       | 1,756,361                        | —                                 | —                     |
| Cost of sales and operations   | 21,219,864                           | *144,771             | 947,959             | 2,387,697                 | 3,427,752                 | 4,128,825                   | 5,928,914                     | 1,260,563                      | 927,641                         | 703,647                         | 1,362,095                        | —                                 | —                     |
| Taxes paid   | 560,448                              | *1,031               | 36,154              | 78,143                    | 104,787                   | 98,598                      | 139,040                       | 26,558                         | 24,269                          | 21,787                          | 30,081                           | —                                 | —                     |
| Interest paid  | 299,713                              | *1,839               | 10,059              | 35,559                    | 42,278                    | 51,173                      | 76,190                        | 22,406                         | 15,850                          | 14,068                          | 30,291                           | —                                 | —                     |
| Depreciation   | 330,421                              | *1,023               | 17,931              | 48,637                    | 49,751                    | 56,941                      | 86,510                        | 19,488                         | 16,394                          | 14,601                          | 19,145                           | —                                 | —                     |
| Pension, profit—sharing, stock bonus, and annuity plans  | 109,388                              | —                    | *1,832              | 8,417                     | 14,136                    | 20,792                      | 40,770                        | 7,828                          | 4,750                           | 4,673                           | 6,190                            | —                                 | —                     |
| Employee benefit programs  | 65,133                               | *52                  | 2,635               | 6,592                     | 10,752                    | 11,989                      | 16,191                        | 3,292                          | 2,499                           | 1,853                           | 9,278                            | —                                 | —                     |
| Net income (less deficit)  | 954,429                              | *628                 | 5,756               | 78,415                    | 172,299                   | 174,817                     | 330,883                       | 48,934                         | 56,904                          | 60,335                          | 25,458                           | —                                 | —                     |
| Net income   | 1,098,066                            | *2,334               | 47,747              | 109,509                   | 188,267                   | 188,056                     | 349,591                       | 58,295                         | 62,452                          | 61,000                          | 30,815                           | —                                 | —                     |
| Income subject to tax  | 904,218                              | *1,028               | 18,983              | 86,058                    | 133,215                   | 155,902                     | 314,123                       | 55,302                         | 51,455                          | 57,356                          | 30,796                           | —                                 | —                     |
| Income tax, total  | 332,381                              | *220                 | 4,083               | 18,845                    | 33,559                    | 51,257                      | 134,025                       | 25,469                         | 24,035                          | 27,077                          | 13,811                           | —                                 | —                     |
| Additional tax for tax preferences   | *1                                   | —                    | —                   | —                         | —                         | —                           | —                             | *1                             | 1                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit   | 55                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | 55                               | —                                 | —                     |
| U.S. possessions tax credit  | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit  | 21,076                               | *1                   | 339                 | 1,951                     | 2,986                     | 3,625                       | 7,849                         | 1,186                          | 1,142                           | 991                             | 1,007                            | —                                 | —                     |
| Work incentive (WIN) credit  | 20                                   | —                    | —                   | —                         | —                         | —                           | 15                            | —                              | 5                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock  | 100,038                              | —                    | *8,191              | 8,230                     | 18,822                    | 22,184                      | 22,894                        | 3,482                          | 4,481                           | 5,451                           | 6,303                            | —                                 | —                     |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Wholesale and Retail Trade: Retail Trade: General Merchandise Stores |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 9,322                                | *127                 | 3,993               | 2,417                     | 1,010                     | 733                         | 749                           | 121                            | 75                              | 32                              | 22                               | 21                                | 22                    |
| Total assets   | 52,308,893                           | —                    | 145,463             | 381,380                   | 371,337                   | 506,612                     | 1,571,243                     | 869,450                        | 1,240,858                       | 1,197,871                       | 1,660,620                        | 3,110,760                         | 41,253,299            |
| Notes and accounts receivable, net                                   | 16,641,700                           | —                    | *12,382             | 40,045                    | 50,154                    | 99,858                      | 238,541                       | 187,972                        | 236,645                         | 130,335                         | 240,523                          | 785,102                           | 14,620,143            |
| Inventories  | 13,894,928                           | —                    | 84,839              | 201,928                   | 166,337                   | 219,492                     | 738,337                       | 307,653                        | 506,152                         | 552,472                         | 696,056                          | 919,419                           | 9,502,243             |
| Cash, Government obligations, and other current assets               | 3,841,455                            | —                    | 17,824              | 61,011                    | 81,155                    | 55,162                      | 211,184                       | 97,149                         | 141,434                         | 128,922                         | 222,917                          | 173,915                           | 2,650,782             |
| Other investments and loans <sup>1</sup>                             | 4,488,791                            | —                    | *6,259              | 18,378                    | 19,843                    | 46,309                      | 100,910                       | 49,439                         | 60,879                          | 31,180                          | 78,205                           | 191,332                           | 3,886,057             |
| Depreciable assets   | 18,094,483                           | —                    | 42,905              | 91,992                    | 95,504                    | 143,648                     | 461,916                       | 309,632                        | 442,381                         | 534,063                         | 614,299                          | 1,470,650                         | 13,887,493            |
| Less: Accumulated depreciation                                       | 7,231,528                            | —                    | 24,245              | 46,232                    | 54,325                    | 76,442                      | 243,065                       | 151,192                        | 197,070                         | 243,646                         | 247,678                          | 631,600                           | 5,316,033             |
| Other capital assets less reserves <sup>2</sup>                      | 1,605,163                            | —                    | *867                | 5,141                     | *6,805                    | 16,976                      | 42,125                        | 38,672                         | 25,859                          | 53,720                          | 39,020                           | 162,569                           | 1,213,409             |
| Accounts and notes payable <sup>4</sup>                              | 13,792,372                           | —                    | 54,553              | 104,551                   | 80,077                    | 111,819                     | 440,832                       | 208,477                        | 280,446                         | 217,600                         | 325,759                          | 597,203                           | 11,371,055            |
| Other current liabilities  | 6,170,106                            | —                    | 7,578               | 25,987                    | 31,497                    | 41,695                      | 120,661                       | 83,950                         | 110,972                         | 130,667                         | 159,731                          | 345,023                           | 5,112,345             |
| Mortgages, notes, and bonds payable in one year or more              | 9,857,082                            | —                    | *10,791             | 49,554                    | 30,733                    | 54,868                      | 199,197                       | 104,502                        | 241,816                         | 245,719                         | 374,390                          | 756,873                           | 7,788,639             |
| Net worth  | 18,979,662                           | —                    | 38,815              | 171,599                   | 214,566                   | 286,950                     | 754,791                       | 427,172                        | 562,657                         | 592,774                         | 785,738                          | 1,315,219                         | 13,829,381            |
| Cost of property used for investment credit                          | 1,302,331                            | *1,511               | *1,829              | 9,544                     | 3,825                     | 9,329                       | 36,522                        | 27,062                         | 38,378                          | 36,119                          | 121,035                          | 125,243                           | 891,934               |
| Total receipts   | 88,078,953                           | *205,444             | 522,022             | 957,536                   | 866,459                   | 1,225,152                   | 4,069,434                     | 1,767,017                      | 2,891,267                       | 3,215,488                       | 3,997,899                        | 6,822,339                         | 61,538,896            |
| Business receipts  | 85,532,755                           | *196,257             | 517,943             | 931,447                   | 847,911                   | 1,191,438                   | 3,977,133                     | 1,700,508                      | 2,807,532                       | 3,130,220                       | 3,893,888                        | 6,566,861                         | 59,771,617            |
| Cost of sales and operations   | 55,418,852                           | *131,164             | 364,289             | 653,418                   | 562,638                   | 804,763                     | 2,721,533                     | 1,113,449                      | 1,936,106                       | 2,157,963                       | 2,718,984                        | 4,393,438                         | 37,861,107            |
| Taxes paid   | 2,086,123                            | *4,789               | 13,427              | 18,910                    | 18,530                    | 28,965                      | 73,682                        | 36,690                         | 51,721                          | 69,155                          | 75,120                           | 188,467                           | 1,506,667             |
| Interest paid  | 1,268,168                            | *1,236               | 3,493               | 6,248                     | 4,480                     | 8,812                       | 26,575                        | 18,977                         | 27,024                          | 26,414                          | 41,142                           | 86,617                            | 1,017,150             |
| Depreciation   | 1,250,914                            | *2,216               | 4,458               | 7,154                     | 6,969                     | 11,880                      | 34,980                        | 22,802                         | 33,433                          | 34,796                          | 44,867                           | 100,166                           | 947,193               |
| Pension, profit-sharing, stock bonus, and annuity plans              | 481,617                              | *365                 | *196                | *1,999                    | 4,255                     | 8,101                       | 16,602                        | 7,298                          | 8,374                           | 10,633                          | 12,098                           | 24,334                            | 387,362               |
| Employee benefit programs  | 263,171                              | *557                 | *730                | *722                      | *913                      | 1,492                       | 7,656                         | 2,448                          | 3,217                           | 2,487                           | 3,627                            | 12,318                            | 227,004               |
| Net income (less deficit)  | 2,816,513                            | *3,656               | —297                | 11,975                    | 22,599                    | 58,925                      | 120,273                       | 30,000                         | 76,295                          | 89,772                          | 141,031                          | 190,539                           | 2,071,745             |
| Net income   | 2,989,865                            | *8,809               | 13,285              | 25,359                    | 34,078                    | 63,200                      | 141,439                       | 54,921                         | 91,552                          | 98,233                          | 142,324                          | 206,137                           | 2,110,528             |
| Income subject to tax  | 2,843,860                            | *6,531               | 5,614               | 16,808                    | 26,885                    | 54,995                      | 129,444                       | 51,607                         | 83,875                          | 96,976                          | 127,286                          | 199,165                           | 2,044,674             |
| Income tax, total  | 1,336,464                            | *3,089               | 1,178               | 4,378                     | 8,327                     | 20,927                      | 55,663                        | 24,005                         | 39,685                          | 46,212                          | 60,638                           | 95,227                            | 977,135               |
| Additional tax for tax preferences                                   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit   | 62,738                               | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| U.S. possessions tax credit  | 2,318                                | —                    | —                   | 65                        | 21                        | 21                          | 53                            | —                              | 1,032                           | 173                             | 178                              | 70                                | 61,285                |
| Investment credit  | 115,443                              | *81                  | *131                | 168                       | 197                       | 522                         | 2,360                         | 1,259                          | 2,138                           | 2,793                           | 4,969                            | 9,130                             | 91,695                |
| Work incentive (WIN) credit  | 165                                  | —                    | —                   | *68                       | —                         | *12                         | *20                           | —                              | —                               | 1                               | 6                                | 7                                 | 34                    |
| Distributions to stockholders except in own stock                    | 749,820                              | *647                 | —                   | *6,358                    | 4,519                     | 7,030                       | 12,428                        | 4,343                          | 5,143                           | 12,049                          | 13,958                           | 25,239                            | 658,106               |
| Wholesale and Retail Trade: Retail Trade: Food Stores                |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 31,370                               | 957                  | 18,445              | 6,126                     | 3,389                     | 1,259                       | 922                           | 114                            | 72                              | 36                              | 21                               | 18                                | 11                    |
| Total assets   | 21,360,125                           | —                    | 723,283             | 964,279                   | 1,205,222                 | 857,854                     | 1,882,032                     | 780,956                        | 1,108,609                       | 1,302,151                       | 1,509,075                        | 2,795,683                         | 8,230,981             |
| Notes and accounts receivable, net                                   | 1,554,022                            | —                    | 51,175              | 76,669                    | 83,033                    | 63,105                      | 130,818                       | 38,902                         | 74,663                          | 62,214                          | 135,174                          | 152,405                           | 685,864               |
| Inventories  | 7,523,350                            | —                    | 237,340             | 303,297                   | 411,585                   | 247,069                     | 577,004                       | 223,620                        | 335,596                         | 482,335                         | 483,588                          | 962,780                           | 3,259,136             |
| Cash, Government obligations, and other current assets               | 2,567,089                            | —                    | 92,619              | 142,851                   | 222,613                   | 157,853                     | 278,659                       | 102,597                        | 154,845                         | 159,417                         | 155,097                          | 356,791                           | 743,747               |
| Other investments and loans <sup>1</sup>                             | 1,633,208                            | —                    | 23,515              | 72,326                    | 71,844                    | 78,156                      | 140,859                       | 53,281                         | 72,172                          | 48,695                          | 88,323                           | 233,564                           | 750,473               |
| Depreciable assets   | 12,797,596                           | —                    | 513,694             | 575,584                   | 687,919                   | 504,033                     | 1,130,349                     | 508,626                        | 711,434                         | 791,955                         | 940,943                          | 1,804,409                         | 4,628,650             |
| Less: Accumulated depreciation                                       | 5,846,949                            | —                    | 256,505             | 273,324                   | 332,485                   | 250,349                     | 534,429                       | 224,385                        | 319,869                         | 317,516                         | 412,043                          | 833,589                           | 2,092,455             |
| Other capital assets less reserves <sup>2</sup>                      | 719,283                              | —                    | 19,514              | 41,813                    | 30,186                    | 29,629                      | 99,151                        | 47,714                         | 53,087                          | 44,716                          | 63,790                           | 75,469                            | 214,214               |
| Accounts and notes payable <sup>4</sup>                              | 5,873,382                            | —                    | 221,993             | 242,886                   | 353,229                   | 249,230                     | 621,293                       | 257,916                        | 336,972                         | 363,466                         | 412,002                          | 710,254                           | 2,104,141             |
| Other current liabilities  | 2,444,237                            | —                    | 58,416              | 68,573                    | 113,500                   | 77,338                      | 178,582                       | 71,144                         | 115,628                         | 130,408                         | 175,757                          | 334,940                           | 1,119,951             |
| Mortgages, notes, and bonds payable in one year or more              | 3,654,593                            | —                    | 153,379             | 180,320                   | 255,453                   | 148,704                     | 349,541                       | 146,237                        | 164,048                         | 228,707                         | 258,272                          | 522,866                           | 1,247,066             |
| Net worth  | 8,457,400                            | —                    | 138,970             | 369,188                   | 395,811                   | 327,889                     | 667,976                       | 258,899                        | 470,895                         | 449,382                         | 613,042                          | 1,186,068                         | 3,579,280             |
| Cost of property used for investment credit                          | 1,294,959                            | *2,403               | 71,016              | 37,740                    | 76,473                    | 48,616                      | 135,425                       | 48,101                         | 68,329                          | 80,939                          | 107,183                          | 178,031                           | 440,703               |
| Total receipts   | 122,972,502                          | 440,256              | 4,764,520           | 5,963,501                 | 8,569,517                 | 5,969,559                   | 12,613,040                    | 4,206,660                      | 6,528,750                       | 7,448,952                       | 8,676,201                        | 15,107,964                        | 42,683,582            |
| Business receipts  | 121,849,347                          | 435,875              | 4,740,799           | 5,916,854                 | 8,514,971                 | 5,918,660                   | 12,497,344                    | 4,153,228                      | 6,470,079                       | 7,354,386                       | 8,572,889                        | 14,941,042                        | 42,333,220            |
| Cost of sales and operations   | 95,138,936                           | 359,383              | 3,511,294           | 4,630,593                 | 6,795,391                 | 4,717,552                   | 9,882,062                     | 3,304,807                      | 5,121,017                       | 5,811,483                       | 6,813,388                        | 11,394,090                        | 32,797,876            |
| Taxes paid   | 1,526,803                            | 5,083                | 82,368              | 76,876                    | 97,128                    | 61,749                      | 155,615                       | 49,900                         | 77,114                          | 92,666                          | 107,751                          | 211,782                           | 508,771               |
| Interest paid  | 385,660                              | *1,745               | 17,923              | 22,947                    | 26,847                    | 17,954                      | 45,499                        | 17,235                         | 18,004                          | 20,904                          | 26,281                           | 51,207                            | 119,114               |
| Depreciation   | 1,170,040                            | 4,577                | 46,545              | 49,022                    | 56,232                    | 43,828                      | 102,156                       | 41,298                         | 62,339                          | 72,478                          | 85,261                           | 159,225                           | 447,079               |
| Pension, profit-sharing, stock bonus, and annuity plans              | 452,451                              | *969                 | 9,089               | 8,552                     | 15,925                    | 13,652                      | 31,342                        | 12,795                         | 22,376                          | 25,110                          | 31,426                           | 44,876                            | 236,339               |
| Employee benefit programs  | 528,543                              | *939                 | 10,134              | 9,946                     | 23,961                    | 11,757                      | 35,398                        | 16,125                         | 20,583                          | 35,256                          | 39,452                           | 95,580                            | 229,412               |
| Net income (less deficit)  | 1,335,727                            | —12,702              | —21,019             | 69,086                    | 88,446                    | 73,861                      | 129,221                       | 36,835                         | 84,127                          | 65,855                          | 79,625                           | 185,799                           | 556,593               |
| Net income   | 1,693,017                            | *3,440               | 50,466              | 94,168                    | 118,341                   | 87,533                      | 161,685                       | 54,696                         | 96,422                          | 122,396                         | 103,875                          | 236,361                           | 563,634               |
| Income subject to tax  | 1,545,047                            | *3,276               | 25,594              | 78,467                    | 78,344                    | 58,769                      | 141,825                       | 48,992                         | 94,791                          | 120,605                         | 99,618                           | 235,256                           | 559,510               |
| Income tax, total  | 684,428                              | *1,511               | 4,674               | 18,821                    | 22,111                    | 20,811                      | 61,592                        | 22,453                         | 44,763                          | 57,515                          | 48,502                           | 112,807                           | 268,868               |
| Additional tax for tax preferences                                   | 18                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | 18                               | —                                 | —                     |
| Foreign tax credit   | 7,291                                | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| U.S. possessions tax credit  | 4,298                                | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit  | 92,294                               | *232                 | 1,089               | 2,347                     | 3,029                     | 2,371                       | 8,281                         | 3,345                          | 5,413                           | 6,614                           | 7,405                            | 14,419                            | 37,749                |
| Work incentive (WIN) credit  | 57                                   | —                    | —                   | —                         | —                         | —                           | *8                            | —                              | —                               | 2                               | —                                | —                                 | 38                    |
| Distributions to stockholders except in own stock                    | 277,844                              | *410                 | *8,164              | *3,650                    | 16,576                    | 13,867                      | 20,091                        | 8,360                          | 4,590                           | 9,529                           | 9,136                            | 48,858                            | 134,613               |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Wholesale and Retail Trade: Retail Trade: Automotive Dealers and Service Stations</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 70,693                               | 1,291                | 27,278              | 12,802                    | 11,771                    | 9,342                       | 7,740                         | 354                            | 88                              | 21                              | 3                                | 3                                 | —                     |
| Total assets   | 33,263,348                           | —                    | 1,092,053           | 2,065,148                 | 4,224,366                 | 6,496,411                   | 14,301,402                    | 2,328,619                      | 1,316,523                       | 712,389                         | 214,225                          | 512,212                           | —                     |
| Notes and accounts receivable, net   | 4,649,871                            | —                    | 159,477             | 262,795                   | 571,203                   | 749,659                     | 1,957,853                     | 429,215                        | 263,610                         | 132,632                         | 34,498                           | 88,929                            | —                     |
| Inventories  | 17,284,002                           | —                    | 419,788             | 1,042,411                 | 2,377,592                 | 3,940,109                   | 7,831,029                     | 942,955                        | 387,559                         | 198,233                         | 89,290                           | 55,036                            | —                     |
| Cash, Government obligations, and other current assets                                   | 3,090,919                            | —                    | 187,006             | 249,265                   | 454,193                   | 586,893                     | 1,136,931                     | 192,380                        | 106,039                         | 105,579                         | 10,980                           | 61,653                            | —                     |
| Other investments and loans <sup>1</sup>   | 1,197,621                            | —                    | 43,944              | 43,139                    | 144,233                   | 191,415                     | 434,683                       | 103,505                        | 102,316                         | 51,739                          | 14,887                           | 67,760                            | —                     |
| Depreciable assets   | 8,883,135                            | —                    | 408,107             | 616,301                   | 946,153                   | 1,426,631                   | 3,611,516                     | 773,369                        | 526,113                         | 270,513                         | 71,982                           | 232,450                           | —                     |
| Less: Accumulated depreciation   | 3,710,398                            | —                    | 192,617             | 272,231                   | 472,608                   | 656,275                     | 1,456,957                     | 281,409                        | 173,783                         | 111,392                         | 18,166                           | 74,960                            | —                     |
| Other capital assets less reserves <sup>2</sup>  | 1,217,318                            | —                    | 26,819              | 86,932                    | 125,804                   | 138,620                     | 524,130                       | 113,732                        | 78,815                          | 52,647                          | 5,381                            | 64,438                            | —                     |
| Accounts and notes payable <sup>1</sup>  | 16,461,674                           | —                    | 333,181             | 820,905                   | 2,009,120                 | 3,412,673                   | 7,574,104                     | 1,177,958                      | 594,434                         | 235,563                         | 44,956                           | 258,780                           | —                     |
| Other current liabilities  | 2,268,804                            | —                    | 67,871              | 112,480                   | 236,745                   | 370,320                     | 1,038,994                     | 160,132                        | 134,568                         | 89,008                          | 18,365                           | 40,321                            | —                     |
| Mortgages, notes, and bonds payable in one year or more                                  | 3,830,297                            | —                    | 149,422             | 293,944                   | 412,043                   | 599,975                     | 1,622,633                     | 363,252                        | 224,092                         | 68,714                          | 61,569                           | 34,653                            | —                     |
| Net worth  | 9,061,738                            | —                    | 324,067             | 652,988                   | 1,276,181                 | 1,816,135                   | 3,669,719                     | 573,361                        | 317,228                         | 303,814                         | 47,371                           | 80,874                            | —                     |
| Cost of property used for investment credit  | 1,091,243                            | 1,056                | 63,468              | 70,328                    | 86,532                    | 124,913                     | 423,484                       | 138,953                        | 110,410                         | 34,660                          | 4,767                            | 32,672                            | —                     |
| Total receipts   | 139,211,010                          | 621,513              | 8,718,404           | 7,870,499                 | 17,036,054                | 28,200,440                  | 62,278,584                    | 8,015,373                      | 3,471,080                       | 1,748,560                       | 320,337                          | 930,166                           | —                     |
| Business receipts  | 137,139,090                          | 611,903              | 8,660,340           | 7,793,856                 | 16,865,227                | 27,873,375                  | 61,258,985                    | 7,824,858                      | 3,376,030                       | 1,650,025                       | 314,974                          | 909,517                           | —                     |
| Cost of sales and operations   | 116,064,036                          | 505,298              | 7,149,935           | 6,139,192                 | 14,175,536                | 23,628,794                  | 52,622,540                    | 6,714,190                      | 2,873,384                       | 1,282,087                       | 247,206                          | 725,874                           | —                     |
| Taxes paid   | 1,554,123                            | 8,671                | 119,071             | 120,696                   | 175,446                   | 278,591                     | 634,232                       | 81,831                         | 32,690                          | 69,854                          | 4,022                            | 29,019                            | —                     |
| Interest paid  | 1,232,610                            | 4,625                | 42,408              | 73,247                    | 152,947                   | 244,982                     | 545,998                       | 83,138                         | 50,295                          | 18,329                          | 6,073                            | 10,568                            | —                     |
| Depreciation   | 981,056                              | 3,769                | 44,236              | 58,310                    | 86,679                    | 131,704                     | 375,296                       | 106,740                        | 82,420                          | 36,606                          | 5,037                            | 50,259                            | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans                                  | 163,361                              | *246                 | *4,887              | 3,640                     | 14,605                    | 33,468                      | 84,121                        | 10,645                         | 7,105                           | 3,441                           | 464                              | 739                               | —                     |
| Employee benefit programs  | 202,551                              | 664                  | 7,394               | 10,290                    | 26,212                    | 46,593                      | 91,926                        | 9,040                          | 5,227                           | 3,765                           | 307                              | 1,133                             | —                     |
| Net income (less deficit)  | 1,312,760                            | 1,523                | —20,954             | 65,971                    | 159,944                   | 248,856                     | 674,751                       | 111,320                        | 25,565                          | 42,632                          | 5,906                            | —3,754                            | —                     |
| Net income   | 1,748,490                            | 14,714               | 95,479              | 120,271                   | 209,054                   | 317,355                     | 751,631                       | 124,780                        | 43,149                          | 59,231                          | 6,791                            | 6,035                             | —                     |
| Income subject to tax  | 1,401,033                            | 14,602               | 50,382              | 86,587                    | 143,909                   | 243,917                     | 641,043                       | 112,553                        | 37,987                          | 57,343                          | 6,677                            | 6,033                             | —                     |
| Income tax, total  | 485,795                              | 4,202                | 11,141              | 17,368                    | 32,910                    | 68,316                      | 249,431                       | 51,293                         | 17,842                          | 26,872                          | 3,232                            | 3,188                             | —                     |
| Additional tax for tax preferences   | *25                                  | —                    | —                   | —                         | —                         | —                           | *12                           | —                              | 10                              | 3                               | —                                | —                                 | —                     |
| Foreign tax credit   | *38                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 4                               | 11                              | 23                               | —                                 | —                     |
| U.S. possessions tax credit  | 184                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | 184                             | —                                | —                                 | —                     |
| Investment credit  | 38,212                               | *21                  | 1,019               | 2,801                     | 2,927                     | 5,982                       | 16,694                        | 4,002                          | 2,945                           | 1,402                           | 295                              | 124                               | —                     |
| Work incentive (WIN) credit  | 127                                  | —                    | —                   | —                         | —                         | *33                         | 63                            | 28                             | *3                              | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock  | 187,144                              | *23,437              | 13,675              | 8,825                     | 24,668                    | 39,612                      | 51,656                        | 8,296                          | 6,456                           | 5,508                           | 4,311                            | 700                               | —                     |
| <b>Wholesale and Retail Trade: Retail Trade: Apparel and Accessory Stores</b>            |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 38,497                               | 2,031                | 20,183              | 10,236                    | 3,347                     | 1,652                       | 875                           | 90                             | 52                              | 14                              | 11                               | 6                                 | —                     |
| Total assets   | 10,132,945                           | —                    | 962,114             | 1,583,118                 | 1,162,402                 | 1,139,163                   | 1,600,279                     | 630,209                        | 816,384                         | 555,609                         | 762,042                          | 921,625                           | —                     |
| Notes and accounts receivable, net   | 1,599,034                            | —                    | 93,028              | 188,094                   | 180,659                   | 197,450                     | 332,577                       | 101,140                        | 180,924                         | 90,853                          | 91,320                           | 142,989                           | —                     |
| Inventories  | 4,159,360                            | —                    | 505,864             | 807,339                   | 517,759                   | 485,775                     | 584,954                       | 269,324                        | 284,101                         | 198,188                         | 238,418                          | 267,638                           | —                     |
| Cash, Government obligations, and other current assets                                   | 1,730,313                            | —                    | 160,090             | 277,133                   | 224,158                   | 216,354                     | 287,940                       | 98,130                         | 92,184                          | 68,300                          | 114,130                          | 191,894                           | —                     |
| Other investments and loans <sup>1</sup>   | 818,298                              | —                    | 48,689              | 109,744                   | 63,430                    | 62,822                      | 95,182                        | 27,295                         | 84,708                          | 86,408                          | 148,331                          | 91,689                            | —                     |
| Depreciable assets   | 2,785,601                            | —                    | 256,763             | 343,355                   | 293,738                   | 299,136                     | 485,941                       | 200,712                        | 236,417                         | 158,055                         | 225,814                          | 285,670                           | —                     |
| Less: Accumulated depreciation   | 1,306,692                            | —                    | 134,543             | 189,017                   | 156,963                   | 149,318                     | 245,257                       | 86,320                         | 95,001                          | 59,609                          | 87,474                           | 103,190                           | —                     |
| Other capital assets less reserves <sup>2</sup>  | 165,052                              | —                    | 8,427               | 8,598                     | 18,309                    | 10,881                      | 34,847                        | 7,714                          | 9,210                           | 9,030                           | 16,573                           | 41,463                            | —                     |
| Accounts and notes payable <sup>1</sup>  | 2,473,418                            | —                    | 290,755             | 406,274                   | 328,182                   | 302,821                     | 398,435                       | 159,967                        | 146,169                         | 122,116                         | 147,795                          | 170,904                           | —                     |
| Other current liabilities  | 911,485                              | —                    | 73,292              | 126,912                   | 66,217                    | 88,456                      | 160,525                       | 76,449                         | 89,070                          | 88,125                          | 59,548                           | 82,891                            | —                     |
| Mortgages, notes, and bonds payable in one year or more                                  | 1,190,845                            | —                    | 106,298             | 152,177                   | 137,224                   | 110,171                     | 166,659                       | 60,827                         | 63,742                          | 94,728                          | 124,035                          | 174,984                           | —                     |
| Net worth  | 4,800,333                            | —                    | 308,469             | 768,970                   | 542,347                   | 560,145                     | 793,408                       | 313,204                        | 464,914                         | 242,226                         | 348,178                          | 458,472                           | —                     |
| Cost of property used for investment credit  | 252,328                              | *412                 | 27,572              | 38,257                    | 19,424                    | 24,524                      | 35,397                        | 19,644                         | 23,311                          | 11,849                          | 31,814                           | 20,124                            | —                     |
| Total receipts   | 23,094,251                           | 142,907              | 2,771,697           | 3,750,365                 | 2,630,476                 | 2,542,432                   | 3,744,776                     | 1,472,051                      | 2,025,259                       | 1,148,379                       | 1,319,697                        | 1,546,212                         | —                     |
| Business receipts  | 22,559,848                           | 137,808              | 2,747,778           | 3,712,139                 | 2,590,670                 | 2,482,421                   | 3,647,810                     | 1,439,972                      | 1,938,349                       | 1,088,194                       | 1,273,614                        | 1,501,093                         | —                     |
| Cost of sales and operations   | 13,403,782                           | 89,637               | 1,655,669           | 2,193,250                 | 1,556,271                 | 1,464,248                   | 2,125,706                     | 850,956                        | 1,198,560                       | 667,272                         | 774,200                          | 828,013                           | —                     |
| Taxes paid   | 502,842                              | 2,886                | 59,626              | 74,712                    | 58,831                    | 54,182                      | 82,057                        | 32,210                         | 38,051                          | 27,822                          | 31,694                           | 40,771                            | —                     |
| Interest paid  | 160,499                              | 1,064                | 16,347              | 25,873                    | 22,651                    | 17,534                      | 24,048                        | 9,874                          | 9,158                           | 11,412                          | 11,876                           | 10,662                            | —                     |
| Depreciation   | 253,114                              | 752                  | 27,771              | 36,949                    | 25,487                    | 26,810                      | 38,715                        | 18,643                         | 20,422                          | 14,435                          | 17,688                           | 25,442                            | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans                                  | 82,049                               | *82                  | 2,174               | 10,020                    | 12,146                    | 13,995                      | 17,504                        | 4,228                          | 4,816                           | 3,897                           | 3,899                            | 9,288                             | —                     |
| Employee benefit programs  | 53,552                               | *376                 | 2,880               | 4,929                     | 6,601                     | 5,129                       | 8,885                         | 3,900                          | 3,209                           | 2,597                           | 3,979                            | 11,067                            | —                     |
| Net income (less deficit)  | 827,491                              | —11,653              | 7,270               | 146,240                   | 53,660                    | 80,819                      | 154,187                       | 59,223                         | 79,189                          | 74,995                          | 61,212                           | 122,349                           | —                     |
| Net income   | 1,060,523                            | *3,885               | 82,007              | 187,233                   | 85,684                    | 95,373                      | 169,897                       | 65,456                         | 98,001                          | 75,225                          | 69,641                           | 128,121                           | —                     |
| Income subject to tax  | 884,555                              | *1,473               | 45,883              | 142,731                   | 63,504                    | 83,432                      | 158,977                       | 63,938                         | 93,379                          | 47,702                          | 65,029                           | 118,507                           | —                     |
| Income tax, total  | 352,226                              | *244                 | 9,545               | 40,210                    | 17,798                    | 29,040                      | 70,242                        | 29,956                         | 44,576                          | 22,768                          | 31,001                           | 56,846                            | —                     |
| Additional tax for tax preferences   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit   | *47                                  | —                    | —                   | —                         | —                         | —                           | *24                           | —                              | —                               | —                               | 10                               | 13                                | —                     |
| U.S. possessions tax credit  | 1,131                                | —                    | 56                  | 36                        | 70                        | 570                         | 399                           | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit  | 14,552                               | *4                   | 204                 | 1,288                     | 1,062                     | 1,513                       | 2,651                         | 1,534                          | 1,996                           | 1,377                           | 1,124                            | 1,799                             | —                     |
| Work incentive (WIN) credit  | —                                    | *3                   | —                   | —                         | —                         | —                           | —                             | —                              | 2                               | 1                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock  | 198,232                              | —                    | 34,799              | 62,741                    | 13,561                    | 13,855                      | 17,202                        | 5,269                          | 12,110                          | 19,015                          | 5,419                            | 14,261                            | —                     |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Wholesale and Retail Trade: Retail Trade: Furniture and Home Furnishings Stores</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 33,410                               | *571                 | 15,421              | 9,494                     | 4,467                     | 2,244                       | 1,084                         | 82                             | 30                              | 10                              | 4                                | 3                                 |                       |
| Total assets   | 9,423,529                            | --                   | 591,564             | 1,550,838                 | 1,563,573                 | 1,530,710                   | 2,029,756                     | 560,108                        | 431,499                         | 350,248                         | 286,357                          | 528,876                           |                       |
| Notes and accounts receivable, net   | 2,563,303                            | --                   | 106,426             | 257,605                   | 414,406                   | 464,725                     | 651,008                       | 185,182                        | 139,319                         | 164,268                         | 94,603                           | 85,761                            |                       |
| Inventories  | 3,817,882                            | --                   | 275,818             | 796,949                   | 686,210                   | 644,322                     | 766,033                       | 215,867                        | 138,056                         | 78,744                          | 89,716                           | 126,167                           |                       |
| Cash, Government obligations, and other current assets                                 | 1,026,052                            | --                   | 87,096              | 205,757                   | 182,456                   | 160,691                     | 189,066                       | 41,944                         | 54,345                          | 24,693                          | 39,042                           | 40,962                            |                       |
| Other investments and loans <sup>1</sup>   | 403,168                              | --                   | 22,914              | 44,396                    | 57,674                    | 47,049                      | 122,513                       | 9,009                          | 15,332                          | 38,677                          | 31,202                           | 14,402                            |                       |
| Depreciable assets   | 2,067,102                            | --                   | 178,843             | 382,201                   | 316,417                   | 299,639                     | 402,654                       | 124,815                        | 92,050                          | 56,098                          | 46,461                           | 167,924                           |                       |
| Less: Accumulated depreciation   | 952,372                              | --                   | 98,953              | 192,255                   | 162,721                   | 143,136                     | 182,090                       | 43,062                         | 38,883                          | 25,118                          | 19,803                           | 46,351                            |                       |
| Other capital assets less reserves <sup>2</sup>  | 247,644                              | --                   | 7,267               | 34,404                    | 33,592                    | 37,498                      | 50,091                        | 14,025                         | 22,001                          | 9,850                           | 5,075                            | 33,841                            |                       |
| Accounts and notes payable <sup>3</sup>  | 2,865,293                            | --                   | 210,736             | 479,800                   | 422,353                   | 479,816                     | 671,481                       | 211,433                        | 139,651                         | 68,642                          | 100,653                          | 80,728                            |                       |
| Other current liabilities  | 824,404                              | --                   | 43,168              | 113,978                   | 113,508                   | 142,831                     | 165,072                       | 64,447                         | 48,134                          | 36,094                          | 22,119                           | 75,053                            |                       |
| Mortgages, notes, and bonds payable in one year or more                                | 1,164,650                            | --                   | 69,896              | 176,245                   | 169,892                   | 162,925                     | 197,936                       | 64,131                         | 64,437                          | 73,125                          | 15,813                           | 170,250                           |                       |
| Net worth  | 3,673,456                            | --                   | 142,252             | 642,138                   | 679,709                   | 585,851                     | 815,961                       | 186,620                        | 144,386                         | 138,966                         | 137,506                          | 200,067                           |                       |
| Cost of property used for investment credit  | 164,758                              | *16                  | 22,995              | 36,503                    | 17,750                    | 22,014                      | 32,557                        | 9,129                          | 4,286                           | 5,289                           | 4,647                            | 9,572                             |                       |
| Total receipts   | 20,990,310                           | *115,099             | 2,401,561           | 3,934,028                 | 3,509,909                 | 3,396,083                   | 4,242,846                     | 1,053,001                      | 806,046                         | 448,841                         | 350,413                          | 732,483                           |                       |
| Business receipts  | 20,292,358                           | *113,344             | 2,386,068           | 3,869,213                 | 3,440,246                 | 3,271,658                   | 4,038,409                     | 990,075                        | 757,065                         | 391,671                         | 322,623                          | 711,986                           |                       |
| Cost of sales and operations   | 13,077,552                           | *65,843              | 1,586,345           | 2,452,517                 | 2,242,176                 | 2,128,973                   | 2,651,875                     | 638,295                        | 471,053                         | 224,552                         | 210,512                          | 405,411                           |                       |
| Taxes paid   | 424,354                              | *7,050               | 53,353              | 77,280                    | 72,009                    | 61,519                      | 74,956                        | 17,747                         | 17,267                          | 11,130                          | 13,857                           | 18,186                            |                       |
| Interest paid  | 210,491                              | *1,613               | 11,985              | 32,231                    | 28,659                    | 29,757                      | 46,240                        | 16,053                         | 10,836                          | 7,943                           | 5,486                            | 19,688                            |                       |
| Depreciation   | 183,060                              | *1,178               | 21,060              | 39,589                    | 25,014                    | 25,596                      | 34,476                        | 10,019                         | 6,297                           | 4,589                           | 3,461                            | 11,781                            |                       |
| Pension, profit-sharing, stock bonus, and annuity plans                                | 60,331                               | --                   | *536                | 7,496                     | 10,438                    | 13,975                      | 19,504                        | 2,556                          | 1,491                           | 1,448                           | 1,123                            | 1,764                             |                       |
| Employee benefit programs  | 44,855                               | *1                   | 4,134               | 8,170                     | 5,583                     | 7,065                       | 10,364                        | 2,547                          | 2,069                           | 1,423                           | 3,064                            | 436                               |                       |
| Net income (less deficit)  | 415,398                              | *2,787               | -7,033              | 77,002                    | 78,678                    | 83,826                      | 103,718                       | 37,460                         | 17,926                          | 15,839                          | 3,656                            | 7,113                             |                       |
| Net income   | 599,107                              | *654                 | 54,189              | 102,658                   | 105,668                   | 103,939                     | 129,970                       | 40,802                         | 22,437                          | 15,839                          | 9,099                            | 13,852                            |                       |
| Income subject to tax  | 472,337                              | *602                 | 31,789              | 75,225                    | 81,656                    | 78,237                      | 114,811                       | 33,784                         | 18,049                          | 15,713                          | 8,647                            | 13,824                            |                       |
| Income tax, total  | 153,943                              | *440                 | 6,667               | 15,034                    | 19,734                    | 23,756                      | 46,284                        | 15,469                         | 8,418                           | 7,381                           | 4,119                            | 6,641                             |                       |
| Additional tax for tax preferences   | *64                                  | --                   | --                  | --                        | --                        | --                          | *64                           | --                             | --                              | --                              | --                               | --                                |                       |
| Foreign tax credit   | *1                                   | --                   | --                  | --                        | --                        | --                          | *1                            | --                             | --                              | --                              | 1                                | --                                |                       |
| U.S. possessions tax credit  | --                                   | --                   | --                  | --                        | --                        | --                          | --                            | --                             | --                              | *1                              | --                               | --                                |                       |
| Investment credit  | 7,511                                | *1                   | 872                 | 1,214                     | 770                       | 931                         | 1,583                         | 596                            | 259                             | 201                             | 268                              | 817                               |                       |
| Work incentive (WIN) credit  | *18                                  | --                   | --                  | --                        | --                        | *13                         | *4                            | *1                             | --                              | --                              | --                               | 1                                 |                       |
| Distributions to stockholders except in own stock                                      | 71,471                               | *26,658              | *3,167              | 10,114                    | 9,077                     | 7,282                       | 7,979                         | *595                           | 2,567                           | 2,216                           | 1,394                            | 422                               |                       |
| <b>Wholesale and Retail Trade: Retail Trade: Eating and Drinking Places</b>            |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 84,964                               | 2,982                | 57,311              | 15,689                    | 6,220                     | 1,771                       | 832                           | 71                             | 44                              | 19                              | 14                               | 8                                 |                       |
| Total assets   | 14,671,188                           | --                   | 1,989,593           | 2,396,889                 | 2,113,810                 | 1,224,950                   | 1,573,426                     | 481,837                        | 655,358                         | 640,336                         | 1,110,248                        | 1,266,571                         | 1,218,170             |
| Notes and accounts receivable, net   | 863,347                              | --                   | 68,845              | 119,266                   | 109,800                   | 58,759                      | 105,487                       | 26,485                         | 42,092                          | 26,722                          | 102,988                          | 90,368                            | 113,335               |
| Inventories  | 915,951                              | --                   | 156,870             | 141,285                   | 98,388                    | 66,002                      | 96,161                        | 26,977                         | 44,300                          | 38,612                          | 79,962                           | 107,080                           | 60,314                |
| Cash, Government obligations, and other current assets                                 | 2,037,248                            | --                   | 377,471             | 341,797                   | 326,131                   | 179,037                     | 248,010                       | 66,982                         | 98,048                          | 100,642                         | 123,663                          | 98,736                            | 76,731                |
| Other investments and loans <sup>1</sup>   | 1,250,180                            | --                   | 107,579             | 154,280                   | 150,092                   | 97,117                      | 112,311                       | 35,829                         | 67,119                          | 26,183                          | 161,085                          | 145,041                           | 193,544               |
| Depreciable assets   | 11,782,751                           | --                   | 1,932,845           | 2,048,684                 | 1,640,704                 | 999,797                     | 1,163,444                     | 402,987                        | 482,046                         | 578,959                         | 623,094                          | 874,844                           | 1,035,347             |
| Less: Accumulated depreciation   | 4,334,573                            | --                   | 934,221             | 819,226                   | 582,006                   | 356,207                     | 429,464                       | 128,179                        | 154,785                         | 210,663                         | 149,761                          | 264,064                           | 305,997               |
| Other capital assets less reserves <sup>2</sup>  | 1,355,618                            | --                   | 98,385              | 202,218                   | 260,537                   | 122,041                     | 208,812                       | 38,743                         | 53,735                          | 59,496                          | 111,542                          | 167,720                           | 32,389                |
| Accounts and notes payable <sup>3</sup>  | 2,650,539                            | --                   | 411,328             | 466,231                   | 424,391                   | 294,048                     | 373,681                       | 77,529                         | 121,748                         | 74,237                          | 127,518                          | 176,157                           | 103,671               |
| Other current liabilities  | 1,315,606                            | --                   | 179,190             | 189,769                   | 183,395                   | 109,602                     | 150,668                       | 43,659                         | 67,296                          | 76,553                          | 91,583                           | 125,139                           | 98,752                |
| Mortgages, notes, and bonds payable in one year or more                                | 4,308,076                            | --                   | 466,809             | 782,588                   | 735,417                   | 441,768                     | 512,623                       | 160,554                        | 195,604                         | 129,566                         | 294,206                          | 251,350                           | 337,591               |
| Net worth  | 4,706,173                            | --                   | 452,340             | 563,808                   | 529,042                   | 267,900                     | 435,270                       | 186,195                        | 234,891                         | 342,820                         | 529,762                          | 553,054                           | 611,091               |
| Cost of property used for investment credit  | 1,225,078                            | 5,392                | 191,831             | 208,272                   | 170,246                   | 84,152                      | 113,374                       | 41,666                         | 40,578                          | 56,857                          | 61,808                           | 88,583                            | 162,319               |
| Total receipts   | 35,697,594                           | 536,630              | 8,309,081           | 6,462,118                 | 4,831,822                 | 2,443,964                   | 3,466,362                     | 1,015,365                      | 1,210,521                       | 1,323,476                       | 2,064,627                        | 2,183,081                         | 1,850,547             |
| Business receipts  | 34,857,991                           | 524,756              | 8,196,721           | 6,394,064                 | 4,753,225                 | 2,393,386                   | 3,365,575                     | 983,938                        | 1,155,331                       | 1,279,605                       | 1,947,116                        | 2,116,075                         | 1,747,299             |
| Cost of sales and operations   | 15,416,410                           | 298,418              | 3,758,473           | 2,819,653                 | 2,069,861                 | 1,000,531                   | 1,472,512                     | 389,806                        | 500,931                         | 478,280                         | 990,679                          | 967,085                           | 670,181               |
| Taxes paid   | 1,357,623                            | 16,584               | 354,993             | 255,471                   | 187,854                   | 88,973                      | 124,582                       | 35,596                         | 45,256                          | 53,315                          | 67,776                           | 76,777                            | 50,446                |
| Interest paid  | 445,969                              | 3,340                | 51,140              | 81,391                    | 71,963                    | 44,336                      | 51,678                        | 15,751                         | 20,296                          | 14,395                          | 31,299                           | 27,680                            | 32,700                |
| Depreciation   | 1,014,210                            | 7,125                | 197,631             | 175,955                   | 140,975                   | 73,393                      | 94,787                        | 33,370                         | 37,572                          | 48,479                          | 54,793                           | 74,718                            | 75,412                |
| Pension, profit-sharing, stock bonus, and annuity plans                                | 91,222                               | *338                 | 8,138               | 13,456                    | 17,263                    | 6,680                       | 11,906                        | 2,550                          | 4,365                           | 6,608                           | 6,292                            | 7,002                             | 6,624                 |
| Employee benefit programs  | 103,752                              | *3,316               | 15,348              | 10,703                    | 13,518                    | 9,938                       | 11,520                        | 2,459                          | 9,038                           | 8,160                           | 2,423                            | 17,124                            | 205                   |
| Net income (less deficit)  | 869,100                              | *5,371               | 51,263              | 91,713                    | 83,858                    | 60,776                      | 89,923                        | 41,168                         | 53,894                          | 81,531                          | 86,701                           | 135,073                           | 98,571                |
| Net income   | 1,421,008                            | 20,957               | 255,321             | 229,048                   | 166,816                   | 93,919                      | 127,411                       | 49,264                         | 64,009                          | 81,949                          | 98,670                           | 135,073                           | 98,571                |
| Income subject to tax  | 1,042,755                            | 7,608                | 113,882             | 116,759                   | 113,239                   | 68,664                      | 111,053                       | 46,277                         | 56,032                          | 81,366                          | 94,777                           | 134,958                           | 98,140                |
| Income tax, total  | 405,810                              | 3,257                | 23,060              | 30,562                    | 31,718                    | 25,156                      | 47,179                        | 21,693                         | 26,683                          | 38,867                          | 45,609                           | 64,900                            | 47,126                |
| Additional tax for tax preferences   | *20                                  | --                   | --                  | --                        | --                        | --                          | *14                           | *1                             | 6                               | --                              | --                               | --                                | --                    |
| Foreign tax credit   | 4,794                                | --                   | --                  | --                        | --                        | --                          | *468                          | *15                            | 46                              | 30                              | 1,081                            | 139                               | 3,015                 |
| U.S. possessions tax credit  | 62                                   | --                   | --                  | 62                        | --                        | --                          | --                            | --                             | --                              | --                              | --                               | --                                | --                    |
| Investment credit  | 57,758                               | 304                  | 4,337               | 4,220                     | 5,530                     | 3,898                       | 6,140                         | 3,036                          | 3,073                           | 5,237                           | 5,526                            | 9,511                             | 6,946                 |
| Work incentive (WIN) credit  | 52                                   | --                   | --                  | --                        | *1                        | *18                         | *19                           | --                             | 6                               | 1                               | --                               | 4                                 | --                    |
| Distributions to stockholders except in own stock                                      | 210,447                              | *9,504               | 57,719              | 42,751                    | 27,663                    | 14,849                      | 20,110                        | 2,301                          | 2,248                           | 6,037                           | 9,455                            | 10,123                            | 7,687                 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Wholesale and Retail Trade: Retail Trade: Miscellaneous Retail Stores</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 108,422                              | 2,882                | 68,200              | 22,744                    | 9,273                     | 3,255                       | 1,773                         | 144                            | 87                              | 25                              | ...                              | ...                               | ...                   |
| Total assets   | 24,714,267                           | —                    | 2,816,820           | 3,424,393                 | 3,203,075                 | 2,253,332                   | 3,293,801                     | 1,016,138                      | 1,332,891                       | 923,563                         |                                  | 6,450,254                         |                       |
| Notes and accounts receivable, net   | 3,865,846                            | —                    | 319,371             | 506,085                   | 613,278                   | 426,730                     | 643,647                       | 221,930                        | 191,645                         | 93,751                          |                                  | 849,409                           |                       |
| Inventories  | 9,997,174                            | —                    | 1,366,403           | 1,485,701                 | 1,264,547                 | 909,125                     | 1,328,538                     | 399,627                        | 614,379                         | 394,753                         |                                  | 2,234,101                         |                       |
| Cash, Government obligations, and other current assets                       | 2,958,843                            | —                    | 382,784             | 462,141                   | 456,011                   | 285,923                     | 440,712                       | 124,231                        | 124,290                         | 116,618                         |                                  | 566,133                           |                       |
| Other investments and loans <sup>1</sup>                                     | 1,585,696                            | —                    | 110,126             | 153,686                   | 130,603                   | 109,970                     | 187,757                       | 53,020                         | 78,288                          | 62,838                          |                                  | 699,408                           |                       |
| Depreciable assets   | 9,078,805                            | —                    | 1,052,763           | 1,213,579                 | 1,180,512                 | 868,222                     | 1,047,539                     | 286,563                        | 388,716                         | 336,753                         |                                  | 2,704,158                         |                       |
| Less: Accumulated depreciation   | 4,214,415                            | —                    | 555,863             | 615,232                   | 612,242                   | 437,665                     | 498,938                       | 133,010                        | 148,685                         | 139,643                         |                                  | 1,073,137                         |                       |
| Other capital assets less reserves <sup>2</sup>                              | 688,025                              | —                    | 51,597              | 83,173                    | 89,752                    | 56,509                      | 79,355                        | 47,964                         | 45,235                          | 29,870                          |                                  | 204,570                           |                       |
| Accounts and notes payable <sup>3</sup>                                      | 7,259,902                            | —                    | 890,656             | 1,050,927                 | 1,057,631                 | 765,437                     | 1,180,504                     | 374,420                        | 470,939                         | 205,609                         |                                  | 1,263,779                         |                       |
| Other current liabilities  | 1,999,082                            | —                    | 178,022             | 211,373                   | 235,125                   | 152,077                     | 312,637                       | 125,617                        | 112,995                         | 106,370                         |                                  | 564,866                           |                       |
| Mortgages, notes, and bonds payable in one year or more                      | 3,652,200                            | —                    | 432,725             | 534,595                   | 423,801                   | 317,924                     | 353,504                       | 112,999                        | 189,526                         | 115,617                         |                                  | 1,171,509                         |                       |
| Net worth  | 9,987,145                            | —                    | 755,900             | 1,287,152                 | 1,264,419                 | 882,789                     | 1,263,748                     | 371,211                        | 520,680                         | 477,409                         |                                  | 3,163,837                         |                       |
| Cost of property used for investment credit                                  | 984,827                              | 10,057               | 136,815             | 128,690                   | 133,761                   | 101,407                     | 113,922                       | 25,328                         | 40,940                          | 27,355                          |                                  | 266,552                           |                       |
| Total receipts   | 67,500,309                           | 714,716              | 10,102,934          | 10,265,888                | 8,871,639                 | 5,975,235                   | 8,536,497                     | 2,717,208                      | 2,985,788                       | 2,202,117                       |                                  | 15,128,287                        |                       |
| Business receipts  | 66,258,923                           | 693,681              | 10,003,313          | 10,142,941                | 8,789,711                 | 5,871,187                   | 8,332,186                     | 2,661,228                      | 2,897,510                       | 2,141,033                       |                                  | 14,726,133                        |                       |
| Cost of sales and operations   | 44,891,663                           | 542,787              | 6,433,409           | 6,816,483                 | 6,089,898                 | 3,937,110                   | 5,722,943                     | 1,964,873                      | 1,968,040                       | 1,451,029                       |                                  | 9,965,291                         |                       |
| Taxes paid   | 1,318,430                            | 17,500               | 252,692             | 198,723                   | 182,505                   | 114,748                     | 141,337                       | 40,826                         | 54,853                          | 40,725                          |                                  | 274,521                           |                       |
| Interest paid  | 478,333                              | 3,892                | 58,274              | 72,933                    | 67,198                    | 47,223                      | 64,732                        | 18,375                         | 27,552                          | 11,933                          |                                  | 106,221                           |                       |
| Depreciation   | 852,478                              | 8,459                | 122,752             | 129,498                   | 117,685                   | 82,724                      | 95,796                        | 24,833                         | 33,213                          | 25,092                          |                                  | 212,426                           |                       |
| Pension, profit—sharing, stock bonus, and annuity plans                      | 224,850                              | *829                 | 13,093              | 20,238                    | 35,479                    | 30,339                      | 38,021                        | 9,309                          | 6,396                           | 7,174                           |                                  | 63,972                            |                       |
| Employee benefit programs  | 147,204                              | *274                 | 13,647              | 18,065                    | 15,789                    | 13,362                      | 22,485                        | 7,947                          | 5,021                           | 8,428                           |                                  | 42,186                            |                       |
| Net income (less deficit)  | 1,748,081                            | —21,523              | 7,265               | 181,187                   | 213,396                   | 130,749                     | 231,676                       | 82,365                         | 98,361                          | 95,955                          |                                  | 728,650                           |                       |
| Net income   | 2,261,870                            | 31,820               | 227,011             | 269,081                   | 253,967                   | 169,394                     | 277,395                       | 90,857                         | 114,539                         | 97,664                          |                                  | 730,142                           |                       |
| Income subject to tax  | 1,897,205                            | 25,280               | 114,023             | 184,693                   | 188,426                   | 141,803                     | 247,906                       | 87,584                         | 110,194                         | 96,628                          |                                  | 700,668                           |                       |
| Income tax, total  | 746,660                              | 10,918               | 23,279              | 44,110                    | 46,134                    | 44,815                      | 103,604                       | 40,300                         | 52,166                          | 46,101                          |                                  | 335,233                           |                       |
| Additional tax for tax preferences   | *185                                 | —                    | —                   | —                         | —                         | *169                        | —                             | —                              | 15                              | 1                               |                                  | —                                 |                       |
| Foreign tax credit   | 8,879                                | —                    | —                   | —                         | —                         | ( <sup>1</sup> )            | *40                           | *76                            | 8                               | 403                             |                                  | 8,352                             |                       |
| U.S. possessions tax credit  | 3                                    | —                    | 3                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               |                                  | —                                 |                       |
| Investment credit  | 60,107                               | *637                 | 3,393               | 4,466                     | 5,699                     | 5,175                       | 6,851                         | 1,357                          | 3,064                           | 2,430                           |                                  | 27,035                            |                       |
| Work incentive (WIN) credit  | 99                                   | —                    | ( <sup>1</sup> )    | —                         | *33                       | ( <sup>1</sup> )            | *8                            | —                              | —                               | 2                               |                                  | 56                                |                       |
| Distributions to stockholders except in own stock                            | 274,609                              | *1,153               | 27,782              | 25,552                    | 32,072                    | 11,695                      | 23,995                        | 7,837                          | 7,822                           | 10,899                          |                                  | 125,802                           |                       |
| <b>Wholesale and Retail Trade: Wholesale and Retail Trade not Allocable</b>  |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 1,017                                | **                   | **                  | *68                       | *33                       | —                           | —                             | *17                            | —                               | —                               |                                  | —                                 |                       |
| Total assets   | 120,853                              | —                    | **                  | *8,092                    | *9,785                    | —                           | —                             | *88,714                        | —                               | —                               |                                  | —                                 |                       |
| Notes and accounts receivable, net   | 32,341                               | —                    | **                  | *7,684                    | *585                      | —                           | —                             | *21,129                        | —                               | —                               |                                  | —                                 |                       |
| Inventories  | 17,947                               | —                    | **                  | —                         | *3,764                    | —                           | —                             | *13,734                        | —                               | —                               |                                  | —                                 |                       |
| Cash, Government obligations, and other current assets                       | 9,242                                | —                    | **                  | *408                      | *2,004                    | —                           | —                             | *5,743                         | —                               | —                               |                                  | —                                 |                       |
| Other investments and loans <sup>1</sup>                                     | *43,124                              | —                    | **                  | —                         | —                         | —                           | —                             | *38,894                        | —                               | —                               |                                  | —                                 |                       |
| Depreciable assets   | 21,995                               | —                    | **                  | —                         | *5,355                    | —                           | —                             | *13,492                        | —                               | —                               |                                  | —                                 |                       |
| Less: Accumulated depreciation   | 10,067                               | —                    | **                  | —                         | *3,449                    | —                           | —                             | *6,272                         | —                               | —                               |                                  | —                                 |                       |
| Other capital assets less reserves <sup>2</sup>                              | *4,585                               | —                    | **                  | —                         | *1,526                    | —                           | —                             | *805                           | —                               | —                               |                                  | —                                 |                       |
| Accounts and notes payable <sup>3</sup>                                      | 28,317                               | —                    | **                  | *272                      | *1,033                    | —                           | —                             | *25,688                        | —                               | —                               |                                  | —                                 |                       |
| Other current liabilities  | *4,895                               | —                    | **                  | —                         | *1,216                    | —                           | —                             | *3,443                         | —                               | —                               |                                  | —                                 |                       |
| Mortgages, notes, and bonds payable in one year or more                      | 23,396                               | —                    | **                  | *4,692                    | *1,145                    | —                           | —                             | *10,797                        | —                               | —                               |                                  | —                                 |                       |
| Net worth  | 36,736                               | —                    | **                  | *3,128                    | *4,642                    | —                           | —                             | *38,515                        | —                               | —                               |                                  | —                                 |                       |
| Cost of property used for investment credit                                  | *1,675                               | —                    | **                  | —                         | *180                      | —                           | —                             | *1,495                         | —                               | —                               |                                  | —                                 |                       |
| Total receipts   | 139,710                              | **                   | **                  | *2,448                    | *20,357                   | —                           | —                             | *97,988                        | —                               | —                               |                                  | —                                 |                       |
| Business receipts  | 126,324                              | **                   | **                  | *476                      | *20,151                   | —                           | —                             | *92,544                        | —                               | —                               |                                  | —                                 |                       |
| Cost of sales and operations   | 85,859                               | —                    | **                  | *272                      | *12,441                   | —                           | —                             | *68,364                        | —                               | —                               |                                  | —                                 |                       |
| Taxes paid   | 2,280                                | **                   | **                  | ( <sup>1</sup> )          | *423                      | —                           | —                             | *1,194                         | —                               | —                               |                                  | —                                 |                       |
| Interest paid  | 1,455                                | **                   | **                  | —                         | *223                      | —                           | —                             | *1,190                         | —                               | —                               |                                  | —                                 |                       |
| Depreciation   | 2,023                                | **                   | **                  | —                         | *387                      | —                           | —                             | *1,197                         | —                               | —                               |                                  | —                                 |                       |
| Pension, profit—sharing, stock bonus, and annuity plans                      | *750                                 | —                    | **                  | —                         | —                         | —                           | —                             | *750                           | —                               | —                               |                                  | —                                 |                       |
| Employee benefit programs  | *1,156                               | —                    | **                  | —                         | —                         | —                           | —                             | *974                           | —                               | —                               |                                  | —                                 |                       |
| Net income (less deficit)  | 2,623                                | **                   | **                  | *1,292                    | *1,365                    | —                           | —                             | *2,331                         | —                               | —                               |                                  | —                                 |                       |
| Net income   | *8,563                               | —                    | **                  | *1,292                    | *1,365                    | —                           | —                             | *4,193                         | —                               | —                               |                                  | —                                 |                       |
| Income subject to tax  | *5,333                               | —                    | **                  | *1,292                    | —                         | —                           | —                             | *4,041                         | —                               | —                               |                                  | —                                 |                       |
| Income tax, total  | *2,071                               | —                    | **                  | *272                      | —                         | —                           | —                             | *1,799                         | —                               | —                               |                                  | —                                 |                       |
| Additional tax for tax preferences   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               |                                  | —                                 |                       |
| Foreign tax credit   | *1                                   | —                    | —                   | —                         | —                         | —                           | —                             | *1                             | —                               | —                               |                                  | —                                 |                       |
| U.S. possessions tax credit  | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               |                                  | —                                 |                       |
| Investment credit  | *62                                  | —                    | —                   | —                         | —                         | —                           | —                             | *62                            | —                               | —                               |                                  | —                                 |                       |
| Work incentive (WIN) credit  | ( <sup>1</sup> )                     | —                    | —                   | —                         | —                         | —                           | —                             | ( <sup>1</sup> )               | —                               | —                               |                                  | —                                 |                       |
| Distributions to stockholders except in own stock                            | *6,739                               | —                    | **                  | *2,856                    | *2,231                    | —                           | —                             | *1,238                         | —                               | —                               |                                  | —                                 |                       |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Total Finance, Insurance, and Real Estate               |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 411,984                              | 19,260               | 202,622             | 83,059                    | 42,067                    | 22,076                      | 20,840                        | 5,601                          | 7,292                           | 4,107                           | 2,342                            | 1,554                             | 1,164                 |
| Total assets  | 2,549,799,105                        | —                    | 7,486,607           | 13,257,839                | 14,995,701                | 15,173,945                  | 44,121,447                    | 40,499,123                     | 118,807,334                     | 143,941,957                     | 162,153,669                      | 239,727,275                       | 1,749,634,208         |
| Notes and accounts receivable, net                      | 727,308,401                          | —                    | 865,049             | 1,792,813                 | 2,224,487                 | 2,229,836                   | 7,751,701                     | 13,235,737                     | 44,007,182                      | 46,522,996                      | 40,571,494                       | 41,733,852                        | 526,373,254           |
| Inventories   | 4,076,011                            | —                    | 75,329              | 91,024                    | 173,005                   | 103,757                     | 335,762                       | 152,845                        | 135,398                         | 230,966                         | 172,116                          | 246,030                           | 2,359,779             |
| Cash, Government obligations, and other current assets  | 623,228,060                          | —                    | 1,561,140           | 2,334,842                 | 2,509,089                 | 2,812,998                   | 9,238,057                     | 12,170,028                     | 36,635,724                      | 39,345,632                      | 38,075,189                       | 52,184,516                        | 426,360,845           |
| Other investments and loans <sup>1</sup>                | 1,034,486,831                        | —                    | 1,214,875           | 1,943,999                 | 2,311,047                 | 2,684,522                   | 9,461,643                     | 8,636,415                      | 29,560,114                      | 49,753,150                      | 75,809,895                       | 134,347,885                       | 718,763,286           |
| Depreciable assets                                      | 110,675,846                          | —                    | 4,187,741           | 7,441,168                 | 7,590,024                 | 7,056,358                   | 16,440,108                    | 5,795,418                      | 6,870,973                       | 6,435,655                       | 5,751,495                        | 7,735,747                         | 35,371,159            |
| Less: Accumulated depreciation                          | 32,400,153                           | —                    | 2,040,102           | 3,396,111                 | 3,171,014                 | 2,734,965                   | 5,323,048                     | 1,693,277                      | 1,768,095                       | 1,609,271                       | 1,282,488                        | 1,490,767                         | 7,891,015             |
| Other capital assets less reserves <sup>2</sup>         | 27,688,867                           | —                    | 1,328,457           | 2,559,385                 | 2,853,254                 | 2,528,585                   | 5,057,409                     | 1,538,480                      | 1,986,417                       | 1,389,559                       | 1,577,816                        | 1,954,754                         | 4,914,751             |
| Accounts and notes payable <sup>3</sup>                 | 144,543,313                          | —                    | 1,394,803           | 2,212,788                 | 2,486,584                 | 2,832,603                   | 7,596,581                     | 3,439,754                      | 6,434,166                       | 7,932,370                       | 7,936,244                        | 10,826,573                        | 91,450,847            |
| Other current liabilities                               | 1,583,366,467                        | —                    | 421,746             | 602,332                   | 666,970                   | 709,207                     | 7,494,936                     | 22,313,193                     | 83,590,574                      | 104,640,083                     | 117,678,651                      | 168,380,357                       | 1,076,868,418         |
| Mortgages, notes, and bonds payable in one year or more | 155,206,984                          | —                    | 1,805,777           | 3,703,637                 | 4,763,991                 | 5,222,562                   | 14,634,046                    | 5,587,628                      | 7,362,363                       | 7,813,097                       | 7,652,285                        | 10,056,903                        | 86,604,694            |
| Net worth   | 297,291,221                          | —                    | 2,119,560           | 5,267,435                 | 5,561,901                 | 4,858,786                   | 10,600,804                    | 6,789,346                      | 15,709,928                      | 16,433,100                      | 18,957,777                       | 31,238,160                        | 179,754,424           |
| Cost of property used for investment credit             | 5,189,899                            | 26,044               | 145,077             | 118,136                   | 96,679                    | 107,198                     | 218,059                       | 112,353                        | 208,018                         | 231,140                         | 252,972                          | 399,209                           | 3,275,014             |
| Total receipts  | 353,774,035                          | 3,637,179            | 7,488,374           | 5,512,979                 | 5,196,592                 | 4,817,996                   | 10,669,687                    | 6,361,086                      | 14,131,417                      | 16,348,200                      | 18,106,596                       | 29,461,184                        | 232,042,745           |
| Business receipts                                       | 180,325,093                          | 690,395              | 6,014,888           | 3,539,492                 | 3,011,890                 | 2,808,520                   | 6,045,201                     | 3,085,177                      | 5,789,217                       | 6,509,612                       | 6,931,223                        | 12,873,952                        | 123,025,526           |
| Cost of sales and operations                            | 91,445,496                           | 271,702              | 1,610,508           | 952,501                   | 715,637                   | 844,788                     | 1,972,640                     | 1,261,421                      | 2,609,209                       | 2,817,442                       | 3,346,109                        | 6,035,793                         | 69,007,806            |
| Taxes paid  | 10,225,174                           | 158,282              | 358,471             | 434,592                   | 404,569                   | 353,757                     | 730,128                       | 283,303                        | 445,995                         | 452,263                         | 452,037                          | 730,775                           | 5,421,002             |
| Interest paid   | 82,409,288                           | 2,135,376            | 254,596             | 374,912                   | 457,309                   | 499,521                     | 1,555,555                     | 1,325,172                      | 4,002,977                       | 5,276,022                       | 6,139,393                        | 8,902,261                         | 51,479,194            |
| Depreciation  | 7,256,408                            | 69,322               | 235,520             | 336,773                   | 326,938                   | 292,534                     | 647,285                       | 247,658                        | 318,034                         | 303,025                         | 290,249                          | 418,000                           | 3,771,070             |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,768,414                            | 8,287                | 49,468              | 33,724                    | 35,222                    | 40,243                      | 75,483                        | 43,218                         | 102,508                         | 114,109                         | 133,578                          | 220,452                           | 1,912,122             |
| Employee benefit programs                               | 1,165,750                            | 5,997                | 19,180              | 19,143                    | 24,196                    | 20,092                      | 33,466                        | 23,311                         | 54,232                          | 59,531                          | 61,426                           | 93,173                            | 752,003               |
| Net income (less deficit)                               | 17,795,268                           | —81,402              | 170,847             | 543,411                   | 516,695                   | 399,894                     | 636,249                       | 388,395                        | 805,100                         | 765,301                         | 910,809                          | 1,419,600                         | 11,320,369            |
| Net income  | 23,540,814                           | —                    | 620,253             | 775,400                   | 729,358                   | 631,402                     | 1,322,212                     | 674,351                        | 1,213,964                       | 1,148,193                       | 1,283,252                        | 2,125,460                         | 12,718,594            |
| Income subject to tax                                   | 16,613,972                           | —                    | 336,763             | 565,596                   | 545,507                   | 464,725                     | 908,058                       | 466,814                        | 840,477                         | 835,148                         | 708,913                          | 1,163,342                         | 9,560,765             |
| Income tax, total                                       | 7,203,750                            | 88,158               | 134,584             | 143,244                   | 140,326                   | 331,724                     | 177,353                       | 332,523                        | 358,142                         | 319,440                         | 547,620                          | 4,557,805                         | 4,557,805             |
| Additional tax for tax preferences                      | 50,929                               | 2,165                | ( <sup>1</sup> )    | 137                       | 66                        | 394                         | 1,801                         | 832                            | 1,630                           | 3,674                           | 6,010                            | 9,748                             | 24,472                |
| Foreign tax credit                                      | 836,470                              | 6,916                | *727                | ( <sup>1</sup> )          | ( <sup>1</sup> )          | 654                         | 3,773                         | 1,144                          | 3,180                           | 24,622                          | 3,470                            | 11,502                            | 780,482               |
| U.S. possessions tax credit                             | 1,132                                | —                    | —                   | —                         | —                         | 8                           | —                             | —                              | 348                             | —                               | 33                               | 3                                 | 164                   |
| Investment credit                                       | 339,676                              | 909                  | 2,697               | 3,558                     | 4,452                     | 5,383                       | 9,772                         | 6,569                          | 13,813                          | 14,444                          | 14,691                           | 19,636                            | 243,752               |
| Work incentive (WIN) credit                             | 326                                  | —                    | ( <sup>1</sup> )    | 1                         | 99                        | 99                          | 1                             | 4                              | 6                               | 5                               | 13                               | 9                                 | 188                   |
| Distributions to stockholders except in own stock       | 9,590,282                            | 149,028              | 251,181             | 179,426                   | 149,456                   | 122,937                     | 343,936                       | 208,515                        | 428,289                         | 412,656                         | 668,512                          | 1,161,450                         | 5,514,896             |
| Finance, Insurance, and Real Estate: Banking            |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 14,705                               | 249                  | 908                 | *397                      | *34                       | *102                        | 1,488                         | 2,694                          | 4,412                           | 2,199                           | 1,086                            | 587                               | 549                   |
| Total assets  | 1,342,366,627                        | —                    | 40,274              | *49,898                   | *12,822                   | *67,010                     | 5,067,907                     | 19,987,481                     | 72,219,054                      | 76,128,945                      | 74,594,025                       | 90,001,575                        | 1,004,197,636         |
| Notes and accounts receivable, net                      | 639,372,544                          | —                    | *4,742              | *6,221                    | *7,527                    | *11,718                     | 2,556,646                     | 10,662,447                     | 38,463,678                      | 39,210,443                      | 35,271,342                       | 37,435,429                        | 475,751,835           |
| Inventories   | 163,164                              | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 6,723                           | 3,035                           | 1,548                            | 625                               | 151,233               |
| Cash, Government obligations, and other current assets  | 455,830,345                          | —                    | 31,121              | *24,459                   | *2,606                    | *51,775                     | 2,109,528                     | 8,128,780                      | 28,867,230                      | 29,897,583                      | 27,029,357                       | 31,559,032                        | 328,128,874           |
| Other investments and loans <sup>1</sup>                | 201,197,611                          | —                    | —                   | *37                       | —                         | —                           | 250,607                       | 774,960                        | 3,265,776                       | 5,177,421                       | 10,408,495                       | 18,589,313                        | 162,731,002           |
| Depreciable assets                                      | 24,317,794                           | —                    | 27,362              | *17,599                   | *495                      | *951                        | 106,059                       | 380,532                        | 1,389,639                       | 1,565,061                       | 1,555,951                        | 1,915,863                         | 17,358,282            |
| Less: Accumulated depreciation                          | 5,483,094                            | —                    | *23,590             | *6,580                    | *231                      | *158                        | 16,138                        | 69,037                         | 306,528                         | 380,868                         | 386,939                          | 451,634                           | 3,841,391             |
| Other capital assets less reserves <sup>2</sup>         | 3,094,152                            | —                    | *264                | —                         | —                         | *2,423                      | 36,021                        | 43,513                         | 167,837                         | 221,925                         | 224,778                          | 261,591                           | 2,135,799             |
| Accounts and notes payable <sup>3</sup>                 | 33,226,890                           | —                    | 4,339               | *5,853                    | *1,256                    | *77                         | 42,635                        | 88,228                         | 301,283                         | 236,886                         | 293,602                          | 512,304                           | 31,740,427            |
| Other current liabilities                               | 1,148,637,259                        | —                    | 31,874              | *27,402                   | *13,295                   | *53,391                     | 4,363,696                     | 17,829,737                     | 64,995,248                      | 68,768,320                      | 67,137,633                       | 80,986,475                        | 844,430,188           |
| Mortgages, notes, and bonds payable in one year or more | 26,340,645                           | —                    | *2,522              | *4,439                    | *234                      | *234                        | 20,574                        | 52,861                         | 245,476                         | 349,587                         | 473,455                          | 659,002                           | 24,532,495            |
| Net worth   | 96,529,496                           | —                    | *3,365              | *12,198                   | *1,729                    | *12,909                     | 587,925                       | 1,785,711                      | 5,711,213                       | 5,647,937                       | 5,363,007                        | 6,307,696                         | 71,105,994            |
| Cost of property used for investment credit             | 2,528,269                            | 10,599               | *388                | *1,288                    | —                         | *12                         | 16,883                        | 38,320                         | 115,253                         | 128,904                         | 137,071                          | 163,856                           | 1,915,695             |
| Total receipts  | 94,472,753                           | 2,328,143            | 50,892              | *30,902                   | *4,213                    | *2,195                      | 372,331                       | 1,409,213                      | 5,006,902                       | 5,237,633                       | 5,202,379                        | 6,530,881                         | 68,297,069            |
| Business receipts                                       | 11,316,427                           | 108,941              | *46,903             | *25,023                   | *4,194                    | *714                        | 35,417                        | 88,243                         | 321,541                         | 339,769                         | 394,238                          | 531,747                           | 9,419,697             |
| Cost of sales and operations                            | 1,462,796                            | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 5,375                           | 4,110                           | 20,216                           | 59,056                            | 1,374,031             |
| Taxes paid  | 2,490,039                            | 68,284               | 1,595               | *1,044                    | *135                      | *101                        | 10,762                        | 36,217                         | 125,849                         | 132,265                         | 132,852                          | 169,071                           | 1,811,864             |
| Interest paid   | 47,044,683                           | 1,760,641            | *6,795              | *3,525                    | *149                      | *507                        | 128,069                       | 608,619                        | 2,260,602                       | 2,470,469                       | 2,535,907                        | 3,193,247                         | 34,076,153            |
| Depreciation  | 2,740,951                            | 8,879                | 1,012               | *2,803                    | *99                       | *74                         | 8,295                         | 30,126                         | 103,967                         | 108,351                         | 116,668                          | 148,641                           | 2,212,036             |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,049,059                            | 4,296                | *46                 | *11                       | —                         | *48                         | 3,521                         | 9,528                          | 45,338                          | 52,560                          | 58,014                           | 73,320                            | 802,377               |
| Employee benefit programs                               | 549,257                              | 2,926                | *172                | *595                      | *1                        | ( <sup>1</sup> )            | 2,551                         | 7,239                          | 27,945                          | 26,875                          | 27,530                           | 34,844                            | 418,579               |
| Net income (less deficit)                               | 3,236,991                            | —37,276              | —297                | *2,215                    | *4,112                    | *725                        | 26,252                        | 90,152                         | 321,373                         | 264,805                         | 223,533                          | 152,852                           | 2,198,219             |
| Net income  | 4,390,808                            | —                    | 9,713               | *4,512                    | *660                      | *65                         | 40,338                        | 131,592                        | 388,115                         | 328,537                         | 277,919                          | 281,039                           | 2,830,807             |
| Income subject to tax                                   | 3,987,518                            | 90,602               | *364                | ( <sup>1</sup> )          | *66                       | *65                         | 37,838                        | 123,739                        | 364,960                         | 304,839                         | 245,768                          | 229,101                           | 2,590,176             |
| Income tax, total                                       | 1,779,916                            | 43,184               | *1,79               | ( <sup>1</sup> )          | ( <sup>1</sup> )          | *13                         | 9,086                         | 35,733                         | 131,514                         | 123,985                         | 106,506                          | 103,797                           | 1,226,019             |
| Additional tax for tax preferences                      | 6,091                                | 1,252                | ( <sup>1</sup> )    | —                         | —                         | —                           | —                             | 23                             | 73                              | 172                             | 588                              | 838                               | 3,145                 |
| Foreign tax credit                                      | 593,269                              | 5,230                | —                   | —                         | —                         | —                           | ( <sup>1</sup> )              | —                              | 18                              | 3                               | 17                               | 666                               | 587,335               |
| U.S. possessions tax credit                             | ( <sup>1</sup> )                     | —                    | —                   | —                         | —                         | —                           | —                             | —                              | ( <sup>1</sup> )                | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 179,348                              | 334                  | *23                 | —                         | —                         | —                           | 550                           | 2,533                          | 9,216                           | 8,351                           | 9,016                            | 11,003                            | 138,322               |
| Work incentive (WIN) credit                             | 115                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 4                               | 5                               | 4                                | 5                                 | 97                    |
| Distributions to stockholders except in own stock       | 2,650,049                            | 2,937                | *8,625              | *2,905                    | —                         | —                           | 8,197                         | 35,917                         | 131,607                         | 150,103                         | 152,893                          | 176,357                           | 1,980,508             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item   | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|  |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|  | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Finance, Insurance, and Real Estate: Credit Agencies Other Than Banks</b>         |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 49,804                               | 3,752                | 25,083              | 6,673                     | 4,433                     | 2,323                       | 2,434                         | 765                            | 1,382                           | 1,231                           | 833                              | 596                               | 299                   |
| Total assets   | 489,906,642                          | —                    | 918,835             | 1,042,500                 | 1,586,255                 | 1,631,696                   | 5,130,460                     | 5,608,018                      | 23,051,692                      | 44,060,457                      | 57,862,216                       | 91,165,050                        | 257,849,463           |
| Notes and accounts receivable, net   | 44,450,875                           | —                    | 180,627             | 352,374                   | 645,134                   | 737,890                     | 1,859,567                     | 1,023,720                      | 3,477,177                       | 5,534,138                       | 3,076,189                        | 1,099,593                         | 26,464,466            |
| Inventories  | 1,304,054                            | —                    | *1,103              | *7,364                    | *714                      | *3,614                      | 5,956                         | *866                           | 24,770                          | 17,402                          | 40,664                           | 137,330                           | 1,063,751             |
| Cash, Government obligations, and other current assets                               | 43,530,889                           | —                    | 272,376             | 265,194                   | 278,665                   | 240,334                     | 800,030                       | 887,324                        | 2,276,568                       | 3,986,063                       | 5,025,976                        | 8,156,383                         | 21,341,976            |
| Other investments and loans <sup>1</sup>   | 386,705,388                          | —                    | 310,567             | 260,832                   | 342,717                   | 429,352                     | 1,958,160                     | 3,422,905                      | 16,544,645                      | 33,389,114                      | 48,442,746                       | 79,353,172                        | 202,251,178           |
| Depreciable assets   | 10,366,540                           | —                    | 120,068             | 94,799                    | 136,029                   | 145,053                     | 255,174                       | 188,015                        | 486,065                         | 793,426                         | 961,425                          | 1,716,088                         | 5,470,398             |
| Less: Accumulated depreciation   | 3,255,350                            | —                    | 79,607              | 28,857                    | 31,641                    | 51,329                      | 83,907                        | 55,328                         | 125,077                         | 193,624                         | 235,102                          | 401,352                           | 1,969,526             |
| Other capital assets less reserves <sup>2</sup>                                      | 2,640,247                            | —                    | 79,596              | 56,173                    | 141,129                   | 93,578                      | 217,733                       | 97,828                         | 153,720                         | 171,147                         | 316,921                          | 453,201                           | 859,221               |
| Accounts and notes payable <sup>3</sup>  | 46,489,806                           | —                    | 112,806             | 335,964                   | 321,167                   | 468,619                     | 1,784,735                     | 1,079,289                      | 3,404,853                       | 4,985,001                       | 4,613,284                        | 4,373,684                         | 25,010,404            |
| Other current liabilities  | 346,832,263                          | —                    | 47,992              | 112,684                   | 120,022                   | 100,038                     | 1,426,784                     | 3,252,254                      | 16,255,043                      | 33,131,356                      | 47,072,717                       | 79,162,821                        | 166,150,552           |
| Mortgages, notes, and bonds payable in one year or more                              | 60,587,155                           | —                    | 133,164             | 151,216                   | 293,883                   | 405,849                     | 953,864                       | 584,448                        | 1,454,466                       | 2,942,807                       | 3,120,444                        | 3,093,616                         | 47,453,398            |
| Net worth  | 24,710,325                           | —                    | 386,769             | 255,448                   | 585,701                   | 416,404                     | 1,011,337                     | 494,832                        | 1,422,048                       | 2,201,095                       | 2,115,250                        | 2,628,947                         | 13,802,694            |
| Cost of property used for investment credit  | 676,863                              | 4,142                | 4,401               | *5,662                    | 19,334                    | 9,035                       | 24,561                        | 11,968                         | 27,866                          | 34,074                          | 49,051                           | 82,257                            | 404,512               |
| Total receipts   | 47,469,958                           | 417,215              | 200,394             | 238,232                   | 274,659                   | 233,543                     | 795,347                       | 549,712                        | 2,096,429                       | 3,445,224                       | 4,534,211                        | 7,143,197                         | 27,541,795            |
| Business receipts  | 11,366,452                           | 34,464               | 65,634              | 125,783                   | 151,454                   | 107,882                     | 359,366                       | 103,875                        | 408,744                         | 284,640                         | 373,695                          | 536,046                           | 8,814,869             |
| Cost of sales and operations   | 5,293,429                            | *6,178               | *17,108             | *21,515                   | *14,287                   | *15,210                     | 63,207                        | *3,320                         | 159,011                         | 23,635                          | 58,354                           | 92,911                            | 4,818,693             |
| Taxes paid   | 817,896                              | 15,502               | 13,177              | 11,816                    | 17,217                    | 11,029                      | 28,869                        | 12,810                         | 34,367                          | 51,764                          | 69,366                           | 116,115                           | 435,864               |
| Interest paid  | 27,026,489                           | 248,249              | 51,632              | 19,087                    | 40,804                    | 56,899                      | 232,348                       | 281,953                        | 1,218,717                       | 2,357,552                       | 3,149,232                        | 4,950,703                         | 14,419,313            |
| Depreciation   | 692,510                              | 4,614                | 5,410               | 7,429                     | 6,286                     | 8,601                       | 15,359                        | 12,257                         | 24,767                          | 38,924                          | 49,688                           | 81,645                            | 437,350               |
| Pension, profit-sharing, stock bonus, and annuity plans                              | 251,583                              | 1,989                | *(*)                | *5,448                    | *375                      | 1,186                       | 5,901                         | 2,406                          | 10,717                          | 19,624                          | 25,643                           | 40,814                            | 137,480               |
| Employee benefit programs  | 124,517                              | 1,213                | *388                | *533                      | 2,209                     | 612                         | 2,853                         | 1,324                          | 5,828                           | 11,238                          | 11,034                           | 16,675                            | 70,610                |
| Net income (less deficit)  | 2,327,164                            | 16,509               | 6,195               | 21,625                    | 15,215                    | 6,245                       | 20,773                        | 39,875                         | 96,543                          | 153,787                         | 178,592                          | 273,599                           | 1,498,206             |
| Net income   | 2,945,298                            | 54,240               | 52,915              | 50,613                    | 41,804                    | 40,673                      | 102,328                       | 57,167                         | 129,314                         | 200,312                         | 246,516                          | 370,908                           | 1,598,508             |
| Income subject to tax  | 2,734,804                            | 45,890               | 32,727              | 37,786                    | 34,058                    | 30,974                      | 83,923                        | 41,127                         | 111,783                         | 191,664                         | 237,252                          | 348,769                           | 1,538,851             |
| Income tax, total  | 1,236,220                            | 18,715               | 6,652               | 8,324                     | 7,318                     | 8,397                       | 28,398                        | 13,915                         | 40,135                          | 79,893                          | 108,423                          | 168,317                           | 747,733               |
| Additional tax for tax preferences   | 37,038                               | 858                  | —                   | —                         | —                         | —                           | *103                          | 91                             | 582                             | 2,730                           | 4,786                            | 8,277                             | 19,611                |
| Foreign tax credit   | 44,519                               | *624                 | —                   | —                         | —                         | —                           | —                             | *860                           | 258                             | 858                             | 1,073                            | 65                                | 40,357                |
| U.S. possessions tax credit  | 684                                  | —                    | —                   | —                         | —                         | —                           | 4                             | 174                            | 306                             | —                               | 33                               | 3                                 | 164                   |
| Investment credit  | 44,020                               | 237                  | *(*)                | *136                      | 301                       | 104                         | 520                           | 580                            | 1,363                           | 1,794                           | 2,317                            | 3,442                             | 33,226                |
| Work incentive (WIN) credit  | 15                                   | —                    | *(*)                | —                         | —                         | —                           | —                             | —                              | —                               | —                               | 2                                | 2                                 | 11                    |
| Distributions to stockholders except in own stock                                    | 635,245                              | 45,280               | 48,626              | 39,493                    | 6,459                     | 10,001                      | 45,673                        | 8,963                          | 7,372                           | 14,246                          | 15,841                           | 10,520                            | 382,771               |
| <b>Finance, Insurance, and Real Estate: Security, Commodity Brokers and Services</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns  | 3,852                                | 311                  | 1,784               | *442                      | *277                      | 263                         | 452                           | 107                            | 101                             | 40                              | 24                               | 22                                | 29                    |
| Total assets   | 41,084,876                           | —                    | 51,844              | *69,293                   | *100,501                  | 169,713                     | 1,048,670                     | 742,740                        | 1,564,119                       | 1,361,905                       | 1,718,437                        | 3,663,417                         | 30,594,237            |
| Notes and accounts receivable, net   | 16,290,950                           | —                    | *7,935              | *12,465                   | *26,817                   | 58,779                      | 396,290                       | 339,958                        | 605,606                         | 686,842                         | 829,463                          | 1,277,223                         | 12,049,572            |
| Inventories  | *37,085                              | —                    | —                   | —                         | —                         | —                           | —                             | 41                             | 9                               | —                               | —                                | 36,970                            | 65                    |
| Cash, Government obligations, and other current assets                               | 18,983,327                           | —                    | 15,349              | *20,068                   | *54,212                   | 69,003                      | 467,179                       | 302,630                        | 620,499                         | 470,375                         | 567,921                          | 1,889,524                         | 14,506,567            |
| Other investments and loans <sup>1</sup>   | 4,007,120                            | —                    | *19,762             | *30,558                   | *10,647                   | 29,391                      | 109,965                       | 64,062                         | 217,540                         | 129,433                         | 218,002                          | 359,747                           | 2,818,013             |
| Depreciable assets   | 838,672                              | —                    | 8,147               | *9,426                    | *3,635                    | 5,934                       | 47,360                        | 31,947                         | 85,131                          | 64,030                          | 98,533                           | 115,367                           | 369,162               |
| Less: Accumulated depreciation   | 274,677                              | —                    | *3,224              | *4,334                    | *1,822                    | 2,055                       | 21,306                        | 10,641                         | 35,926                          | 22,139                          | 27,558                           | 41,810                            | 103,862               |
| Other capital assets less reserves <sup>2</sup>                                      | 60,892                               | —                    | *143                | *842                      | *13                       | *189                        | 8,992                         | 2,515                          | 5,860                           | 6,815                           | 1,016                            | 12,150                            | 22,357                |
| Accounts and notes payable <sup>3</sup>  | 24,540,205                           | —                    | 25,246              | *17,083                   | *25,175                   | 54,681                      | 483,192                       | 410,078                        | 696,624                         | 743,604                         | 805,261                          | 1,687,357                         | 19,591,904            |
| Other current liabilities  | 8,059,452                            | —                    | *10,438             | *17,874                   | *11,898                   | 28,128                      | 109,648                       | 121,818                        | 275,400                         | 284,715                         | 389,482                          | 1,359,155                         | 5,467,896             |
| Mortgages, notes, and bonds payable in one year or more                              | 1,767,333                            | —                    | *6,647              | *2,614                    | *132                      | 4,355                       | 79,415                        | 20,426                         | 93,952                          | 53,159                          | 176,130                          | 221,266                           | 1,109,237             |
| Net worth  | 4,558,073                            | —                    | *16,730             | *48,721                   | *50,884                   | 77,661                      | 325,952                       | 144,311                        | 430,592                         | 251,160                         | 310,389                          | 352,747                           | 2,582,386             |
| Cost of property used for investment credit  | 158,656                              | *203                 | *746                | *2,868                    | *1,475                    | 2,002                       | 7,094                         | 3,779                          | 7,429                           | 4,731                           | 13,453                           | 19,968                            | 94,908                |
| Total receipts   | 7,918,033                            | 33,460               | 159,299             | *100,885                  | *120,862                  | 149,597                     | 646,522                       | 299,241                        | 715,802                         | 635,736                         | 440,066                          | 575,826                           | 4,040,737             |
| Business receipts  | 3,380,083                            | 27,644               | 133,509             | *91,674                   | *118,990                  | 51,176                      | 482,259                       | 143,996                        | 522,488                         | 493,227                         | 279,023                          | 395,031                           | 641,066               |
| Cost of sales and operations   | 221,912                              | —                    | —                   | *6,700                    | *7,161                    | 11,472                      | 51,730                        | 119,236                        | 119,236                         | 15,579                          | 9,703                            | 41,698                            | 632                   |
| Taxes paid   | 270,828                              | 751                  | 2,546               | *1,934                    | *6,365                    | 3,923                       | 19,203                        | 8,407                          | 21,084                          | 14,169                          | 13,336                           | 18,724                            | 160,386               |
| Interest paid  | 764,585                              | *1,121               | 2,370               | *249                      | *606                      | 1,639                       | 18,353                        | 13,682                         | 27,615                          | 32,285                          | 34,593                           | 61,892                            | 570,180               |
| Depreciation   | 90,225                               | 362                  | *1,694              | *1,242                    | *403                      | 687                         | 5,702                         | 3,961                          | 7,157                           | 5,303                           | 5,303                            | 16,922                            | 41,256                |
| Pension, profit-sharing, stock bonus, and annuity plans                              | 127,953                              | *770                 | *572                | *572                      | *1,457                    | *1,807                      | 11,952                        | 8,486                          | 14,606                          | 10,913                          | 9,070                            | 9,063                             | 60,714                |
| Employee benefit programs  | 52,137                               | *217                 | *572                | *153                      | *1,457                    | *399                        | 3,129                         | 965                            | 5,293                           | 3,378                           | 4,857                            | 3,034                             | 28,683                |
| Net income (less deficit)  | 796,005                              | 1,257                | —10,611             | *10,010                   | *3,524                    | 14,181                      | 51,051                        | 51,246                         | 65,010                          | 35,191                          | 33,919                           | 49,392                            | 491,835               |
| Net income   | 858,607                              | *3,447               | *2,970              | *12,458                   | *7,727                    | 14,818                      | 66,655                        | 51,348                         | 75,162                          | 42,604                          | 34,910                           | 54,673                            | 491,835               |
| Income subject to tax  | 763,903                              | *3,347               | *2,433              | *4,923                    | *6,323                    | 12,952                      | 55,107                        | 41,119                         | 63,201                          | 33,918                          | 32,377                           | 49,862                            | 458,341               |
| Income tax, total  | 350,955                              | *1,505               | *286                | *1,348                    | *1,652                    | 4,685                       | 22,989                        | 17,967                         | 28,672                          | 15,703                          | 15,214                           | 23,548                            | 217,386               |
| Additional tax for tax preferences   | *191                                 | 9                    | —                   | —                         | —                         | —                           | —                             | —                              | 57                              | —                               | 122                              | —                                 | —                     |
| Foreign tax credit   | 5,374                                | *(*)                 | —                   | —                         | —                         | —                           | *268                          | *98                            | 22                              | 15                              | —                                | 179                               | 4,792                 |
| U.S. possessions tax credit  | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit  | 11,812                               | *18                  | *(*)                | *201                      | *(*)                      | *208                        | 420                           | 237                            | 305                             | 573                             | 590                              | 517                               | 8,743                 |
| Work incentive (WIN) credit  | *103                                 | —                    | —                   | —                         | —                         | *99                         | —                             | —                              | —                               | —                               | —                                | —                                 | 3                     |
| Distributions to stockholders except in own stock                                    | 103,425                              | *129                 | —                   | *1,076                    | *660                      | *442                        | 5,934                         | 4,523                          | 8,460                           | 6,659                           | 2,404                            | 8,976                             | 64,162                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Finance, Insurance, and Real Estate: Insurance                              |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 8,116                                | 51                   | 3,053               | 1,185                     | 680                       | 659                         | 952                           | 362                            | 407                             | 236                             | 169                              | 162                               | 200                   |
| Total assets  | 464,192,787                          | —                    | 106,458             | 191,931                   | 246,238                   | 472,998                     | 2,184,100                     | 2,558,464                      | 6,464,288                       | 8,349,650                       | 11,983,227                       | 25,379,673                        | 406,255,760           |
| Notes and accounts receivable, net  | 10,954,204                           | —                    | 25,153              | 58,803                    | 37,430                    | 43,790                      | 89,617                        | 99,913                         | 129,829                         | 252,515                         | 341,137                          | 351,417                           | 9,524,600             |
| Inventories   | 1,071,272                            | —                    | —                   | —                         | —                         | —                           | —                             | 87                             | 1,020                           | 8                               | 15,983                           | 177                               | 1,053,997             |
| Cash, Government obligations, and other current assets                      | 78,313,786                           | —                    | 38,422              | 75,238                    | 135,778                   | 279,081                     | 1,060,082                     | 1,070,907                      | 2,521,913                       | 3,133,321                       | 3,633,132                        | 7,338,181                         | 59,027,731            |
| Other investments and loans <sup>1</sup>                                    | 345,653,235                          | —                    | 18,140              | 19,010                    | 38,477                    | 111,689                     | 891,005                       | 1,214,450                      | 3,424,171                       | 4,342,565                       | 7,331,253                        | 16,199,831                        | 312,062,644           |
| Depreciable assets  | 8,556,324                            | —                    | 20,389              | 26,155                    | 21,291                    | 14,713                      | 48,117                        | 71,512                         | 114,447                         | 154,749                         | 201,053                          | 385,942                           | 7,497,956             |
| Less: Accumulated depreciation  | 1,544,298                            | —                    | 8,712               | 11,313                    | 7,037                     | 4,919                       | 7,651                         | 12,761                         | 8,774                           | 14,500                          | 26,135                           | 24,847                            | 1,417,589             |
| Other capital assets less reserves <sup>2</sup>                             | 726,040                              | —                    | 1,506               | 12,672                    | 6,257                     | 1,054                       | 15,881                        | 5,010                          | 5,793                           | 26,875                          | 19,204                           | 13,691                            | 618,097               |
| Accounts and notes payable <sup>1</sup>                                     | 13,023,303                           | —                    | 48,098              | 78,172                    | 36,395                    | 46,297                      | 112,082                       | 87,252                         | 105,104                         | 198,871                         | 267,869                          | 388,920                           | 11,654,243            |
| Other current liabilities   | 72,364,354                           | —                    | 5,057               | 13,353                    | 24,858                    | 72,935                      | 360,686                       | 507,607                        | 1,418,633                       | 1,896,189                       | 2,524,779                        | 6,153,204                         | 59,387,053            |
| Mortgages, notes, and bonds payable in one year or more                     | 7,211,761                            | —                    | 7,146               | 8,746                     | 12,880                    | 10,694                      | 30,051                        | 29,842                         | 38,084                          | 34,009                          | 130,397                          | 189,644                           | 6,720,268             |
| Net worth   | 69,515,961                           | —                    | 14,060              | 68,177                    | 127,354                   | 220,633                     | 909,824                       | 847,187                        | 1,712,571                       | 2,057,899                       | 2,610,429                        | 4,852,944                         | 56,094,883            |
| Cost of property used for investment credit                                 | 904,112                              | 545                  | 4,713               | 3,219                     | 2,146                     | 2,727                       | 6,999                         | 7,118                          | 13,001                          | 20,027                          | 27,613                           | 51,603                            | 764,401               |
| Total receipts  | 156,040,480                          | 76,292               | 160,935             | 248,742                   | 164,883                   | 412,047                     | 1,306,915                     | 1,363,541                      | 3,423,360                       | 4,859,060                       | 5,823,165                        | 11,534,430                        | 126,667,110           |
| Business receipts   | 127,483,260                          | 63,363               | 156,324             | 234,498                   | 142,551                   | 311,500                     | 1,131,031                     | 1,150,422                      | 2,954,359                       | 4,313,853                       | 5,090,266                        | 9,933,596                         | 102,001,497           |
| Cost of sales and operations  | 75,506,913                           | 30,963               | 27,999              | 90,814                    | 20,876                    | 99,304                      | 528,806                       | 548,096                        | 1,516,298                       | 2,225,545                       | 2,959,103                        | 5,428,478                         | 62,030,631            |
| Taxes paid  | 3,463,593                            | 1,687                | 4,250               | 5,952                     | 3,206                     | 7,012                       | 23,204                        | 29,198                         | 75,796                          | 108,053                         | 127,395                          | 268,608                           | 2,809,052             |
| Interest paid   | 1,999,182                            | 2,104                | 767                 | 1,258                     | 1,531                     | 2,945                       | 7,367                         | 9,648                          | 12,546                          | 18,840                          | 31,744                           | 57,755                            | 1,852,677             |
| Depreciation  | 1,030,217                            | 424                  | 4,025               | 3,259                     | 2,000                     | 1,779                       | 5,506                         | 6,078                          | 10,957                          | 15,343                          | 24,132                           | 45,603                            | 911,111               |
| Pension, profit-sharing, stock bonus, and annuity plans                     | 1,047,063                            | 72                   | 7                   | 2,198                     | 1,671                     | 2,484                       | 4,766                         | 7,026                          | 19,243                          | 22,580                          | 31,674                           | 70,378                            | 884,964               |
| Employee benefit programs   | 285,570                              | 92                   | 821                 | 1,919                     | 561                       | 699                         | 3,956                         | 4,330                          | 7,986                           | 11,395                          | 12,584                           | 25,426                            | 215,801               |
| Net income (less deficit)   | 5,801,982                            | 3,470                | 1,187               | 19,147                    | 12,959                    | 28,156                      | 46,813                        | 32,222                         | 38,706                          | 109,524                         | 77,237                           | 266,676                           | 5,165,885             |
| Net income  | 6,736,616                            | 6,782                | 14,437              | 21,998                    | 17,203                    | 37,499                      | 80,966                        | 70,778                         | 124,227                         | 176,712                         | 168,839                          | 401,534                           | 5,616,141             |
| Income subject to tax   | 5,255,680                            | 5,191                | 3,778               | 12,757                    | 11,399                    | 22,563                      | 51,955                        | 41,428                         | 77,742                          | 121,369                         | 98,562                           | 276,441                           | 4,532,495             |
| Income tax, total   | 2,480,241                            | 2,343                | 601                 | 3,088                     | 2,707                     | 7,073                       | 20,127                        | 17,806                         | 35,081                          | 55,581                          | 45,530                           | 129,903                           | 2,160,401             |
| Additional tax for tax preferences  | 880                                  | —                    | —                   | —                         | —                         | —                           | —                             | 8                              | (1)                             | 5                               | 20                               | 14                                | 833                   |
| Foreign tax credit  | 130,818                              | —                    | 2                   | —                         | —                         | 9                           | (1)                           | 3                              | 37                              | 20                              | 1,718                            | 4,774                             | 124,255               |
| U.S. possessions tax credit   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 62,922                               | 33                   | 4                   | 71                        | 104                       | 105                         | 261                           | 380                            | 709                             | 1,252                           | 1,439                            | 2,889                             | 55,675                |
| Work incentive (WIN) credit   | 64                                   | —                    | —                   | 1                         | —                         | —                           | 1                             | —                              | 1                               | (1)                             | 6                                | 2                                 | 53                    |
| Distributions to stockholders except in own stock                           | 1,875,919                            | 328                  | 6,127               | 4,672                     | 4,014                     | 7,340                       | 10,293                        | 5,086                          | 14,620                          | 37,289                          | 38,930                           | 131,382                           | 1,615,838             |
| Finance, Insurance, and Real Estate: Insurance Agents, Brokers, and Service |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 35,137                               | 504                  | 22,512              | 6,861                     | 2,876                     | 1,421                       | 813                           | 79                             | 47                              | 9                               | 5                                | 10                                | ...                   |
| Total assets  | 9,463,275                            | —                    | 680,558             | 1,115,878                 | 1,006,564                 | 943,779                     | 1,476,117                     | 583,964                        | 729,249                         | 318,467                         | 362,811                          | 2,245,888                         | ...                   |
| Notes and accounts receivable, net  | 3,499,518                            | —                    | 216,580             | 423,916                   | 421,096                   | 395,451                     | 658,664                       | 198,602                        | 247,777                         | 118,477                         | 141,266                          | 677,689                           | ...                   |
| Inventories   | 1,909                                | —                    | 1,330               | 67                        | —                         | 65                          | 30                            | 117                            | 30                              | —                               | —                                | 270                               | ...                   |
| Cash, Government obligations, and other current assets                      | 2,584,258                            | —                    | 223,554             | 271,648                   | 283,949                   | 269,149                     | 440,839                       | 204,410                        | 196,075                         | 118,104                         | 124,681                          | 451,849                           | ...                   |
| Other investments and loans <sup>1</sup>                                    | 1,889,173                            | —                    | 64,893              | 107,242                   | 80,556                    | 102,312                     | 163,150                       | 119,192                        | 202,227                         | 42,974                          | 86,299                           | 920,328                           | ...                   |
| Depreciable assets  | 995,253                              | —                    | 191,399             | 150,545                   | 127,545                   | 120,298                     | 169,969                       | 43,333                         | 44,029                          | 8,772                           | 12,974                           | 126,389                           | ...                   |
| Less: Accumulated depreciation  | 418,373                              | —                    | 92,240              | 66,518                    | 58,528                    | 49,803                      | 60,768                        | 14,585                         | 14,770                          | 2,989                           | 5,239                            | 52,933                            | ...                   |
| Other capital assets less reserves <sup>2</sup>                             | 207,454                              | —                    | 13,690              | 48,566                    | 31,279                    | 27,313                      | 43,499                        | 4,946                          | 5,763                           | 1,447                           | 1,963                            | 28,988                            | ...                   |
| Accounts and notes payable <sup>1</sup>                                     | 4,352,798                            | —                    | 313,514             | 507,603                   | 571,530                   | 539,579                     | 856,267                       | 237,064                        | 275,777                         | 121,378                         | 176,057                          | 754,029                           | ...                   |
| Other current liabilities   | 947,809                              | —                    | 75,375              | 96,292                    | 73,648                    | 82,851                      | 156,578                       | 106,428                        | 113,329                         | 50,130                          | 58,659                           | 134,519                           | ...                   |
| Mortgages, notes, and bonds payable in one year or more                     | 685,767                              | —                    | 60,044              | 87,089                    | 130,434                   | 94,910                      | 123,168                       | 30,682                         | 67,427                          | 13,772                          | 10,657                           | 67,584                            | ...                   |
| Net worth   | 2,825,302                            | —                    | 179,497             | 342,305                   | 188,245                   | 211,581                     | 273,769                       | 144,367                        | 183,929                         | 68,254                          | 68,090                           | 1,165,265                         | ...                   |
| Cost of property used for investment credit                                 | 202,317                              | 1,890                | 35,941              | 23,818                    | 19,223                    | 24,796                      | 18,752                        | 3,720                          | 7,678                           | 1,663                           | 2,043                            | 62,793                            | ...                   |
| Total receipts  | 8,884,060                            | 186,107              | 2,233,051           | 1,310,196                 | 931,834                   | 866,642                     | 1,241,946                     | 455,642                        | 362,806                         | 118,175                         | 143,146                          | 1,034,515                         | ...                   |
| Business receipts   | 8,533,543                            | 180,092              | 2,202,230           | 1,272,315                 | 895,786                   | 845,637                     | 1,186,371                     | 426,409                        | 332,244                         | 97,631                          | 127,075                          | 967,753                           | ...                   |
| Cost of sales and operations  | 2,241,425                            | 103,733              | 840,444             | 434,704                   | 123,524                   | 114,530                     | 282,921                       | 137,350                        | 142,785                         | 24,712                          | 29,019                           | 7,703                             | ...                   |
| Taxes paid  | 236,329                              | 3,915                | 46,482              | 30,434                    | 27,401                    | 23,842                      | 31,505                        | 10,910                         | 12,261                          | 3,849                           | 4,304                            | 41,426                            | ...                   |
| Interest paid   | 104,588                              | 550                  | 10,259              | 12,491                    | 13,880                    | 10,668                      | 16,373                        | 7,383                          | 6,614                           | 1,693                           | 3,136                            | 21,541                            | ...                   |
| Depreciation  | 131,377                              | 1,279                | 28,181              | 25,224                    | 18,889                    | 14,679                      | 18,827                        | 3,918                          | 3,833                           | 936                             | 1,183                            | 14,428                            | ...                   |
| Pension, profit-sharing, stock bonus, and annuity plans                     | 155,644                              | 786                  | 22,940              | 12,890                    | 16,365                    | 24,060                      | 26,360                        | 8,344                          | 5,985                           | 2,822                           | 5,422                            | 29,670                            | ...                   |
| Employee benefit programs   | 74,255                               | 928                  | 9,916               | 9,440                     | 11,353                    | 10,414                      | 9,329                         | 3,717                          | 1,690                           | 808                             | 1,561                            | 16,499                            | ...                   |
| Net income (less deficit)   | 687,729                              | 3,669                | 52,006              | 83,619                    | 74,436                    | 59,868                      | 81,126                        | 30,247                         | 27,321                          | 20,884                          | 22,645                           | 231,928                           | ...                   |
| Net income  | 797,390                              | 14,239               | 94,666              | 93,927                    | 82,606                    | 61,896                      | 93,613                        | 36,103                         | 43,830                          | 21,010                          | 23,409                           | 232,091                           | ...                   |
| Income subject to tax   | 602,953                              | 11,164               | 46,969              | 55,755                    | 46,359                    | 41,484                      | 70,033                        | 31,055                         | 39,472                          | 20,312                          | 18,093                           | 222,257                           | ...                   |
| Income tax, total   | 233,602                              | 4,646                | 8,630               | 11,588                    | 11,771                    | 11,586                      | 27,760                        | 14,374                         | 18,516                          | 9,691                           | 8,517                            | 106,523                           | ...                   |
| Additional tax for tax preferences  | 147                                  | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 1                               | —                               | 146                              | —                                 | ...                   |
| Foreign tax credit  | 6,093                                | —                    | (1)                 | —                         | —                         | —                           | (1)                           | —                              | 4                               | 83                              | 571                              | 5,435                             | ...                   |
| U.S. possessions tax credit   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | ...                   |
| Investment credit   | 7,075                                | 167                  | 728                 | 664                       | 614                       | 816                         | 1,145                         | 360                            | 699                             | 117                             | 369                              | 1,396                             | ...                   |
| Work incentive (WIN) credit   | 5                                    | —                    | —                   | —                         | —                         | —                           | (1)                           | 3                              | 1                               | —                               | —                                | 1                                 | ...                   |
| Distributions to stockholders except in own stock                           | 173,063                              | 442                  | 20,419              | 17,394                    | 12,421                    | 7,436                       | 14,881                        | 5,957                          | 7,188                           | 3,228                           | 8,564                            | 75,133                            | ...                   |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item  | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Finance, Insurance, and Real Estate: Real Estate</b>   |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 256,341                              | 11,923               | 128,351             | 58,084                    | 29,348                    | 14,711                      | 11,937                        | 1,140                          | 550                             | 177                             | 72                               | ...                               | ...                   |
| Total assets  | 98,228,858                           | —                    | 5,005,906           | 9,318,377                 | 10,403,833                | 10,083,253                  | 23,566,376                    | 7,796,212                      | 8,400,993                       | 6,137,698                       | 4,887,182                        | 12,629,028                        | ...                   |
| Notes and accounts receivable, net  | 9,121,227                            | —                    | 363,942             | 735,600                   | 908,706                   | 811,767                     | 1,755,579                     | 625,667                        | 721,691                         | 469,349                         | 521,325                          | 2,207,601                         | ...                   |
| Inventories   | 1,443,609                            | —                    | 72,896              | 83,593                    | 172,291                   | 98,890                      | 327,061                       | 142,885                        | 95,332                          | 190,807                         | 110,271                          | 149,583                           | ...                   |
| Cash, Government obligations, and other current assets  | 13,470,795                           | —                    | 819,993             | 1,296,099                 | 1,437,393                 | 1,471,885                   | 3,282,535                     | 962,987                        | 1,238,187                       | 941,054                         | 506,392                          | 1,514,270                         | ...                   |
| Other investments and loans <sup>1</sup>  | 13,212,738                           | —                    | 509,137             | 890,509                   | 1,032,985                 | 1,070,766                   | 2,643,780                     | 1,036,436                      | 1,255,617                       | 1,070,627                       | 1,074,757                        | 2,628,124                         | ...                   |
| Depreciable assets  | 59,789,586                           | —                    | 3,712,549           | 7,048,567                 | 7,143,586                 | 6,660,955                   | 15,448,525                    | 4,891,541                      | 4,482,985                       | 3,128,513                       | 2,246,547                        | 5,025,818                         | ...                   |
| Less: Accumulated depreciation  | 20,436,339                           | —                    | 1,768,176           | 3,239,327                 | 3,002,872                 | 2,585,096                   | 4,991,113                     | 1,466,025                      | 1,221,605                       | 854,875                         | 512,327                          | 794,923                           | ...                   |
| Other capital assets less reserves <sup>2</sup>   | 18,479,344                           | —                    | 1,155,682           | 2,279,003                 | 2,490,613                 | 2,267,118                   | 4,388,328                     | 1,257,948                      | 1,522,162                       | 715,373                         | 749,335                          | 1,653,782                         | ...                   |
| Accounts and notes payable <sup>1</sup>   | 14,552,633                           | —                    | 714,360             | 1,035,617                 | 1,408,218                 | 1,563,268                   | 3,836,242                     | 1,261,237                      | 1,312,673                       | 1,093,693                       | 1,023,361                        | 1,303,964                         | ...                   |
| Other current liabilities   | 4,477,112                            | —                    | 217,702             | 312,172                   | 351,295                   | 332,640                     | 928,829                       | 384,292                        | 401,602                         | 342,719                         | 240,623                          | 965,234                           | ...                   |
| Mortgages, notes, and bonds payable in one year or more   | 47,346,796                           | —                    | 1,502,188           | 3,301,972                 | 4,075,867                 | 4,497,182                   | 12,654,941                    | 4,399,346                      | 4,832,678                       | 3,471,014                       | 2,535,449                        | 6,076,159                         | ...                   |
| Net worth   | 22,105,972                           | —                    | 1,496,072           | 3,684,145                 | 3,570,441                 | 2,667,379                   | 4,277,836                     | 1,114,518                      | 1,157,399                       | 671,914                         | 558,162                          | 2,908,106                         | ...                   |
| Cost of property used for investment credit   | 599,945                              | 4,170                | 82,651              | 75,747                    | 50,435                    | 51,454                      | 119,655                       | 40,630                         | 30,795                          | 27,983                          | 16,711                           | 99,714                            | ...                   |
| Total receipts  | 30,041,288                           | 465,257              | 4,418,637           | 3,354,926                 | 3,468,506                 | 2,894,853                   | 5,549,712                     | 1,913,581                      | 2,020,593                       | 1,393,755                       | 1,069,249                        | 3,492,219                         | ...                   |
| Business receipts   | 17,034,447                           | 252,742              | 3,332,147           | 1,765,315                 | 1,674,457                 | 1,468,329                   | 2,691,185                     | 1,066,727                      | 1,199,180                       | 835,978                         | 593,513                          | 2,154,874                         | ...                   |
| Cost of sales and operations  | 6,087,850                            | 105,609              | 724,715             | 391,043                   | 546,506                   | 594,978                     | 1,009,423                     | 507,554                        | 634,405                         | 436,746                         | 320,328                          | 906,543                           | ...                   |
| Taxes paid  | 2,693,334                            | 63,349               | 272,894             | 369,305                   | 338,082                   | 295,652                     | 585,099                       | 171,671                        | 165,010                         | 122,117                         | 83,271                           | 228,884                           | ...                   |
| Interest paid   | 4,264,167                            | 98,639               | 175,716             | 317,478                   | 379,291                   | 401,931                     | 1,075,540                     | 361,864                        | 415,070                         | 294,147                         | 242,841                          | 501,650                           | ...                   |
| Depreciation  | 2,379,776                            | 49,565               | 188,882             | 289,230                   | 290,282                   | 261,230                     | 574,121                       | 182,273                        | 156,638                         | 111,597                         | 73,168                           | 202,790                           | ...                   |
| Pension, profit-sharing, stock bonus, and annuity plans   | 106,926                              | *329                 | 18,611              | 11,477                    | 14,475                    | 10,020                      | 20,074                        | 5,954                          | 5,214                           | 4,508                           | 2,396                            | 13,868                            | ...                   |
| Employee benefit programs   | 68,145                               | 991                  | 6,713               | 6,106                     | 8,384                     | 7,387                       | 10,371                        | 3,883                          | 4,895                           | 4,274                           | 3,198                            | 11,943                            | ...                   |
| Net income (less deficit)   | 1,265,590                            | -44,186              | 118,568             | 348,002                   | 353,673                   | 199,077                     | 153,448                       | 13,045                         | -1,307                          | -27,787                         | -19,239                          | 172,296                           | ...                   |
| Net income  | 3,259,384                            | 50,336               | 364,046             | 497,962                   | 492,755                   | 627,341                     | 174,109                       | 174,099                        | 172,072                         | 174,099                         | 66,357                           | 348,483                           | ...                   |
| Income subject to tax   | 2,476,469                            | 32,064               | 207,336             | 393,744                   | 398,128                   | 281,937                     | 465,841                       | 131,144                        | 121,670                         | 86,187                          | 50,939                           | 307,479                           | ...                   |
| Income tax, total   | 833,985                              | 9,400                | 46,113              | 96,427                    | 107,858                   | 83,480                      | 172,690                       | 55,883                         | 39,780                          | 23,575                          | 14,801                           | 144,801                           | ...                   |
| Additional tax for tax preferences  | 3,628                                | *1                   | —                   | *136                      | —                         | *24                         | 1,226                         | 370                            | 351                             | 379                             | 61                               | 1,080                             | ...                   |
| Foreign tax credit  | 2,440                                | *1                   | *725                | *(*)                      | *(*)                      | *26                         | 174                           | *21                            | 10                              | —                               | —                                | 1,474                             | ...                   |
| U.S. possessions tax credit   | 448                                  | —                    | —                   | —                         | —                         | 4                           | —                             | 402                            | 42                              | —                               | —                                | —                                 | ...                   |
| Investment credit   | 29,019                               | 95                   | 1,942               | 2,283                     | 3,367                     | 2,490                       | 5,769                         | 2,239                          | 1,281                           | 1,344                           | 815                              | 7,394                             | ...                   |
| Work incentive (WIN) credit   | *1                                   | —                    | *(*)                | —                         | —                         | —                           | *(*)                          | —                              | —                               | —                               | 1                                | —                                 | ...                   |
| Distributions to stockholders except in own stock   | 612,487                              | 75,034               | 115,972             | 76,634                    | 66,631                    | 43,360                      | 95,148                        | 27,056                         | 42,364                          | 13,273                          | 9,146                            | 47,869                            | ...                   |
| <b>Finance, Insurance, and Real Estate: Holding and Other Investment Companies, Except Bank Holding Companies</b> |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns   | 44,029                               | 2,470                | 20,931              | 9,417                     | 4,419                     | 2,597                       | 2,764                         | 454                            | 393                             | 215                             | 153                              | 145                               | 71                    |
| Total assets  | 104,556,040                          | —                    | 682,732             | 1,469,962                 | 1,639,488                 | 1,805,496                   | 5,647,817                     | 3,222,244                      | 6,377,939                       | 7,584,835                       | 10,745,771                       | 23,117,502                        | 42,262,254            |
| Notes and accounts receivable, net  | 3,619,083                            | —                    | 75,554              | 203,434                   | 177,777                   | 170,441                     | 435,338                       | 285,430                        | 361,424                         | 251,232                         | 390,772                          | 571,124                           | 696,557               |
| Inventories   | 54,918                               | —                    | —                   | —                         | —                         | *1,188                      | *2,715                        | *8,229                         | 7,514                           | 19,714                          | 3,650                            | 4,219                             | 7,089                 |
| Cash, Government obligations, and other current assets  | 10,514,660                           | —                    | 160,325             | 382,136                   | 316,486                   | 431,771                     | 1,077,864                     | 612,990                        | 915,252                         | 799,132                         | 1,187,730                        | 2,193,603                         | 2,437,371             |
| Other investments and loans <sup>1</sup>  | 81,821,566                           | —                    | 292,376             | 635,811                   | 805,665                   | 941,012                     | 3,444,976                     | 2,004,410                      | 4,650,138                       | 5,601,016                       | 8,248,343                        | 18,003,415                        | 37,194,404            |
| Depreciable assets  | 5,811,677                            | —                    | 107,827             | 94,077                    | 157,443                   | 108,454                     | 364,904                       | 188,538                        | 268,677                         | 721,104                         | 675,012                          | 1,640,704                         | 1,484,937             |
| Less: Accumulated depreciation  | 988,082                              | —                    | 64,553              | 39,182                    | 68,883                    | 41,605                      | 142,165                       | 64,900                         | 55,415                          | 140,276                         | 89,188                           | 145,264                           | 136,651               |
| Other capital assets less reserves <sup>2</sup>   | 2,480,738                            | —                    | 77,576              | 162,128                   | 183,963                   | 136,910                     | 346,955                       | 126,720                        | 125,282                         | 245,977                         | 264,599                          | 509,745                           | 300,883               |
| Accounts and notes payable <sup>1</sup>   | 8,357,678                            | —                    | 176,440             | 232,496                   | 122,843                   | 160,082                     | 481,428                       | 276,606                        | 337,852                         | 552,937                         | 756,810                          | 2,909,355                         | 2,350,829             |
| Other current liabilities   | 2,048,218                            | —                    | 33,308              | 39,551                    | 71,954                    | 39,224                      | 148,715                       | 111,057                        | 131,319                         | 166,854                         | 254,758                          | 354,068                           | 697,610               |
| Mortgages, notes, and bonds payable in one year or more   | 11,267,527                           | —                    | 94,066              | 147,561                   | 250,795                   | 209,339                     | 772,033                       | 470,023                        | 630,280                         | 948,749                         | 1,205,753                        | 3,462,668                         | 3,076,260             |
| Net worth   | 77,046,092                           | —                    | 63,257              | 856,441                   | 1,041,005                 | 1,252,219                   | 3,824,361                     | 2,258,420                      | 5,092,176                       | 5,534,841                       | 7,932,450                        | 15,183,555                        | 34,007,367            |
| Cost of property used for investment credit   | 119,737                              | 4,495                | 16,237              | 5,534                     | 4,066                     | 17,172                      | 24,115                        | 6,818                          | 5,996                           | 13,758                          | 7,030                            | 9,300                             | 5,216                 |
| Total receipts  | 8,947,463                            | 130,705              | 265,166             | 229,096                   | 231,635                   | 259,119                     | 756,914                       | 370,156                        | 505,525                         | 658,617                         | 894,380                          | 1,688,604                         | 2,957,546             |
| Business receipts   | 1,210,881                            | 23,149               | 24,884              | 24,458                    | 23,282                    | 159,572                     | 105,505                       | 50,661                         | 144,514                         | 73,413                          | 135,261                          | 368,041                           | ...                   |
| Cost of sales and operations  | 631,171                              | *18,977              | *242                | *7,725                    | *3,283                    | 18,036                      | 76,803                        | 64,342                         | 32,099                          | 87,115                          | 39,386                           | 60,023                            | 223,140               |
| Taxes paid  | 251,155                              | 4,794                | 17,527              | 14,107                    | 12,163                    | 12,198                      | 31,486                        | 14,090                         | 11,448                          | 20,046                          | 21,513                           | 39,389                            | 52,394                |
| Interest paid   | 1,205,594                            | 24,072               | 7,057               | 20,824                    | 21,048                    | 24,932                      | 77,505                        | 42,023                         | 61,813                          | 101,036                         | 148,940                          | 424,746                           | 251,598               |
| Depreciation  | 191,352                              | 4,199                | 6,316               | 7,586                     | 8,979                     | 5,484                       | 19,475                        | 9,045                          | 10,715                          | 22,571                          | 19,694                           | 43,978                            | 33,310                |
| Pension, profit-sharing, stock bonus, and annuity plans   | 30,186                               | *45                  | *7,292              | *1,700                    | *2,336                    | *638                        | 2,909                         | 1,474                          | 1,405                           | 1,102                           | 1,359                            | 2,216                             | 7,710                 |
| Employee benefit programs   | 11,869                               | *30                  | *1,598              | *397                      | *231                      | 581                         | 1,277                         | 1,853                          | 595                             | 1,563                           | 662                              | 570                               | 2,512                 |
| Net income (less deficit)   | 3,678,807                            | -24,845              | 3,799               | 58,793                    | 61,000                    | 93,092                      | 256,786                       | 131,608                        | 257,454                         | 208,917                         | 394,122                          | 511,670                           | 1,727,411             |
| Net income  | 4,552,711                            | 61,820               | 81,506              | 93,930                    | 86,603                    | 121,262                     | 320,971                       | 153,754                        | 281,244                         | 268,284                         | 465,302                          | 758,458                           | 1,859,577             |
| Income subject to tax   | 792,645                              | 29,606               | 43,156              | 60,631                    | 49,174                    | 74,750                      | 143,361                       | 57,202                         | 61,649                          | 76,859                          | 25,922                           | 26,433                            | 143,902               |
| Income tax, total   | 288,831                              | 8,365                | 10,470              | 13,809                    | 11,938                    | 25,092                      | 50,674                        | 21,675                         | 24,627                          | 33,509                          | 11,675                           | 10,847                            | 66,150                |
| Additional tax for tax preferences  | 2,954                                | *45                  | —                   | *1                        | *66                       | *370                        | 472                           | 337                            | 566                             | 388                             | 287                              | 156                               | 266                   |
| Foreign tax credit  | 53,957                               | *1,061               | *(*)                | *(*)                      | *(*)                      | *619                        | 2,907                         | 162                            | 2,831                           | 23,634                          | 91                               | 446                               | 22,206                |
| U.S. possessions tax credit   | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit   | 5,480                                | 25                   | *(*)                | 203                       | *66                       | 1,660                       | 1,107                         | 240                            | 240                             | 1,013                           | 145                              | 485                               | 296                   |
| Work incentive (WIN) credit   | 23                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | 23                    |
| Distributions to stockholders except in own stock   | 3,540,094                            | 24,878               | 51,412              | 37,252                    | 59,271                    | 54,358                      | 163,810                       | 121,013                        | 216,678                         | 187,858                         | 440,734                          | 769,517                           | 1,413,313             |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Total Services  |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 466,317                              | 15,933               | 349,886             | 54,880                    | 23,128                    | 12,156                      | 8,652                         | 882                            | 489                             | 155                             | 84                               | 40                                | 32                    |
| Total assets  | 99,489,782                           | —                    | 9,085,593           | 8,581,935                 | 8,161,386                 | 8,387,519                   | 16,986,959                    | 6,032,997                      | 7,335,758                       | 5,339,408                       | 5,640,090                        | 6,137,084                         | 17,801,053            |
| Notes and accounts receivable, net                      | 16,437,826                           | —                    | 1,233,797           | 1,403,401                 | 1,292,730                 | 1,287,889                   | 2,663,172                     | 1,052,762                      | 1,411,037                       | 1,154,093                       | 1,313,220                        | 1,107,872                         | 2,517,853             |
| Inventories   | 4,651,469                            | —                    | 498,342             | 441,324                   | 359,256                   | 417,823                     | 741,396                       | 182,991                        | 372,919                         | 214,336                         | 203,093                          | 231,971                           | 988,018               |
| Cash, Government obligations, and other current assets  | 15,544,159                           | —                    | 2,370,859           | 1,774,271                 | 1,402,763                 | 1,189,611                   | 2,200,937                     | 760,456                        | 913,301                         | 684,855                         | 745,414                          | 902,714                           | 2,598,978             |
| Other investments and loans <sup>1</sup>                | 13,377,838                           | —                    | 818,730             | 836,494                   | 712,697                   | 612,008                     | 1,588,528                     | 629,402                        | 988,625                         | 971,631                         | 856,708                          | 1,216,053                         | 4,146,962             |
| Depreciable assets                                      | 65,836,839                           | —                    | 7,367,355           | 6,320,907                 | 5,896,296                 | 6,408,055                   | 12,721,798                    | 4,142,990                      | 4,546,307                       | 2,726,446                       | 3,118,042                        | 3,596,427                         | 8,992,216             |
| Less: Accumulated depreciation                          | 27,104,736                           | —                    | 3,959,378           | 3,088,563                 | 2,513,985                 | 2,613,498                   | 4,912,351                     | 1,509,537                      | 1,780,766                       | 952,145                         | 1,235,977                        | 1,509,490                         | 3,029,046             |
| Other capital assets less reserves <sup>2</sup>         | 6,406,663                            | —                    | 316,690             | 589,268                   | 763,945                   | 813,925                     | 1,372,806                     | 491,922                        | 514,953                         | 332,766                         | 295,009                          | 231,009                           | 684,370               |
| Accounts and notes payable <sup>1</sup>                 | 21,852,657                           | —                    | 2,252,363           | 1,927,242                 | 1,712,879                 | 1,861,657                   | 4,267,497                     | 1,462,309                      | 1,663,784                       | 1,053,849                       | 1,246,682                        | 1,085,582                         | 3,318,813             |
| Other current liabilities                               | 10,251,527                           | —                    | 1,139,014           | 716,700                   | 665,584                   | 683,628                     | 1,326,283                     | 525,403                        | 710,878                         | 469,170                         | 593,728                          | 525,198                           | 2,895,941             |
| Mortgages, notes, and bonds payable in one year or more | 28,912,987                           | —                    | 1,480,385           | 1,831,167                 | 2,351,848                 | 2,760,095                   | 6,130,471                     | 2,152,106                      | 2,250,059                       | 1,621,461                       | 1,637,521                        | 1,822,373                         | 4,875,501             |
| Net worth   | 29,440,516                           | —                    | 2,307,349           | 3,010,982                 | 2,753,542                 | 2,300,227                   | 3,879,328                     | 1,369,979                      | 2,195,403                       | 1,732,550                       | 1,791,982                        | 2,241,561                         | 5,857,613             |
| Cost of property used for investment credit             | 7,258,099                            | 68,959               | 927,598             | 702,204                   | 586,663                   | 605,100                     | 1,306,185                     | 474,304                        | 411,189                         | 235,095                         | 248,864                          | 388,772                           | 1,303,166             |
| Total receipts  | 150,157,545                          | 1,655,466            | 41,807,671          | 18,112,388                | 13,045,725                | 11,381,131                  | 19,929,062                    | 5,738,361                      | 7,226,603                       | 6,454,803                       | 6,075,063                        | 6,600,954                         | 12,130,418            |
| Business receipts                                       | 143,763,070                          | 1,533,488            | 41,063,123          | 17,553,136                | 12,526,446                | 10,981,217                  | 18,802,235                    | 5,398,249                      | 6,774,610                       | 6,043,401                       | 5,729,446                        | 6,326,748                         | 11,030,971            |
| Cost of sales and operations                            | 73,751,536                           | 915,530              | 15,678,646          | 9,309,209                 | 6,807,889                 | 6,317,401                   | 10,723,315                    | 3,000,332                      | 3,795,738                       | 4,119,209                       | 3,781,025                        | 3,753,958                         | 5,549,284             |
| Taxes paid  | 5,190,491                            | 57,613               | 1,333,408           | 628,033                   | 471,280                   | 456,786                     | 734,772                       | 128,022                        | 269,971                         | 211,198                         | 232,002                          | 186,253                           | 391,153               |
| Interest paid   | 3,375,243                            | 39,363               | 240,102             | 225,112                   | 247,416                   | 304,386                     | 674,450                       | 233,250                        | 256,173                         | 170,476                         | 192,706                          | 175,994                           | 615,815               |
| Depreciation  | 7,292,624                            | 61,232               | 864,380             | 614,403                   | 518,177                   | 583,050                     | 1,271,829                     | 415,676                        | 457,499                         | 235,136                         | 305,522                          | 364,677                           | 1,601,043             |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,697,649                            | 10,180               | 1,646,415           | 295,522                   | 166,669                   | 110,653                     | 165,034                       | 39,359                         | 64,965                          | 47,210                          | 53,768                           | 32,691                            | 65,183                |
| Employee benefit programs                               | 796,646                              | 11,012               | 227,223             | 88,982                    | 61,866                    | 59,473                      | 93,791                        | 35,463                         | 42,229                          | 26,046                          | 33,649                           | 44,990                            | 71,922                |
| Net income (less deficit)                               | 4,320,445                            | 7,914                | 343,474             | 545,674                   | 436,883                   | 360,942                     | 565,727                       | 219,190                        | 341,662                         | 311,989                         | 226,482                          | 239,776                           | 720,732               |
| Net income  | 6,977,268                            | 117,709              | 1,345,543           | 807,047                   | 626,391                   | 549,348                     | 949,964                       | 360,723                        | 472,031                         | 365,225                         | 289,789                          | 352,130                           | 741,368               |
| Income subject to tax                                   | 5,185,160                            | 64,015               | 815,888             | 559,566                   | 419,938                   | 411,831                     | 710,717                       | 293,195                        | 377,245                         | 308,025                         | 256,978                          | 319,098                           | 648,664               |
| Income tax, total                                       | 1,918,952                            | 24,940               | 166,365             | 130,860                   | 115,673                   | 141,067                     | 298,007                       | 134,508                        | 177,320                         | 145,856                         | 122,414                          | 151,526                           | 310,416               |
| Additional tax for tax preferences                      | 1,019                                | —                    | —                   | ( <sup>1</sup> )          | —                         | 22                          | 247                           | 52                             | 37                              | 40                              | 292                              | 25                                | 304                   |
| Foreign tax credit                                      | 93,278                               | *1,425               | *852                | *67                       | *128                      | *419                        | 6,481                         | 4,897                          | 5,364                           | 4,194                           | 8,695                            | 15,703                            | 45,053                |
| U.S. possessions tax credit                             | 1,920                                | —                    | 31                  | ( <sup>1</sup> )          | 17                        | 311                         | 1,289                         | 272                            | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 299,346                              | 2,082                | 27,431              | 28,010                    | 20,816                    | 25,902                      | 45,636                        | 16,522                         | 18,153                          | 13,012                          | 11,190                           | 21,025                            | 69,567                |
| Work incentive (WIN) credit                             | 948                                  | —                    | *240                | *68                       | *65                       | *221                        | *73                           | 22                             | 29                              | 78                              | 52                               | 82                                | 18                    |
| Distributions to stockholders except in own stock       | 1,148,065                            | 109,864              | 249,892             | 82,278                    | 95,836                    | 48,279                      | 101,271                       | 50,699                         | 71,172                          | 71,157                          | 67,505                           | 67,942                            | 131,170               |
| Services: Hotels and Other Lodging Places               |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 17,867                               | 787                  | 6,722               | 3,960                     | 2,827                     | 1,863                       | 1,458                         | 135                            | 73                              | 22                              | —                                | 20                                | —                     |
| Total assets  | 12,769,747                           | —                    | 269,429             | 704,103                   | 1,009,937                 | 1,270,784                   | 2,937,246                     | 915,670                        | 1,055,591                       | 765,966                         | —                                | 3,841,021                         | —                     |
| Notes and accounts receivable, net                      | 695,250                              | —                    | 11,548              | 37,308                    | 29,830                    | 48,724                      | 109,638                       | 38,679                         | 70,761                          | 34,393                          | —                                | 314,369                           | —                     |
| Inventories   | 237,509                              | —                    | 7,250               | 11,531                    | 16,906                    | 21,552                      | 51,873                        | 9,781                          | 22,799                          | 31,669                          | —                                | 64,148                            | —                     |
| Cash, Government obligations, and other current assets  | 1,041,197                            | —                    | 39,533              | 46,744                    | 93,404                    | 91,030                      | 229,031                       | 67,435                         | 78,258                          | 43,096                          | —                                | 352,666                           | —                     |
| Other investments and loans <sup>1</sup>                | 1,587,334                            | —                    | 7,503               | 55,654                    | 56,369                    | 50,529                      | 199,355                       | 76,402                         | 143,257                         | 123,639                         | —                                | 874,626                           | —                     |
| Depreciable assets                                      | 11,371,129                           | —                    | 350,960             | 783,649                   | 1,040,197                 | 1,314,995                   | 2,928,863                     | 860,543                        | 855,259                         | 637,287                         | —                                | 2,599,376                         | —                     |
| Less: Accumulated depreciation                          | 4,036,880                            | —                    | 187,217             | 379,766                   | 424,851                   | 484,434                     | 992,946                       | 260,686                        | 288,181                         | 199,158                         | —                                | 819,641                           | —                     |
| Other capital assets less reserves <sup>2</sup>         | 1,441,991                            | —                    | 31,665              | 120,976                   | 177,540                   | 190,502                     | 341,204                       | 102,155                        | 132,198                         | 76,388                          | —                                | 269,363                           | —                     |
| Accounts and notes payable <sup>1</sup>                 | 1,473,484                            | —                    | 55,243              | 49,726                    | 171,420                   | 139,072                     | 387,570                       | 123,517                        | 160,306                         | 89,667                          | —                                | 296,967                           | —                     |
| Other current liabilities                               | 818,080                              | —                    | 45,948              | 19,145                    | 47,411                    | 49,622                      | 144,109                       | 50,276                         | 82,456                          | 53,714                          | —                                | 325,399                           | —                     |
| Mortgages, notes, and bonds payable in one year or more | 6,282,492                            | —                    | 60,277              | 303,773                   | 440,539                   | 723,289                     | 1,840,486                     | 549,818                        | 561,811                         | 385,489                         | —                                | 1,417,010                         | —                     |
| Net worth   | 3,012,956                            | —                    | 66,507              | 238,164                   | 204,418                   | 194,064                     | 312,654                       | 143,316                        | 160,899                         | 198,615                         | —                                | 1,627,333                         | —                     |
| Cost of property used for investment credit             | 375,165                              | 1,492                | 10,727              | 20,877                    | 30,925                    | 50,328                      | 79,128                        | 21,389                         | 14,642                          | 20,822                          | —                                | 124,835                           | —                     |
| Total receipts  | 10,439,590                           | 151,983              | 547,194             | 741,673                   | 972,733                   | 926,431                     | 2,225,727                     | 546,998                        | 710,587                         | 442,697                         | —                                | 3,173,567                         | —                     |
| Business receipts                                       | 9,770,882                            | 142,428              | 543,096             | 710,563                   | 949,985                   | 880,311                     | 2,069,396                     | 509,758                        | 646,645                         | 401,578                         | —                                | 2,917,122                         | —                     |
| Cost of sales and operations                            | 4,859,244                            | 83,356               | 228,419             | 329,784                   | 430,860                   | 450,500                     | 1,026,641                     | 257,904                        | 314,272                         | 219,496                         | —                                | 1,518,012                         | —                     |
| Taxes paid  | 613,617                              | 14,264               | 33,662              | 51,596                    | 57,407                    | 62,012                      | 137,558                       | 34,175                         | 40,647                          | 23,968                          | —                                | 158,328                           | —                     |
| Interest paid   | 594,782                              | 7,062                | 8,222               | 27,589                    | 46,290                    | 62,117                      | 165,768                       | 53,096                         | 59,171                          | 31,953                          | —                                | 133,494                           | —                     |
| Depreciation  | 639,932                              | 8,307                | 25,478              | 45,014                    | 55,553                    | 72,675                      | 153,303                       | 41,507                         | 40,275                          | 29,531                          | —                                | 168,289                           | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans | 24,466                               | *12                  | *25                 | —                         | *891                      | *722                        | 3,798                         | 1,725                          | 2,660                           | 1,764                           | —                                | 12,869                            | —                     |
| Employee benefit programs                               | 52,830                               | *473                 | *1,038              | *301                      | 2,989                     | 2,476                       | 9,600                         | 2,888                          | 5,269                           | 2,485                           | —                                | 25,311                            | —                     |
| Net income (less deficit)                               | 136,939                              | 4,644                | 44,753              | 24,981                    | 20,022                    | —982                        | 35,665                        | —29,989                        | —12,439                         | 19,443                          | —                                | 120,347                           | —                     |
| Net income  | 459,867                              | 11,156               | 7,930               | 41,085                    | 39,172                    | 40,958                      | 104,883                       | 24,774                         | 33,168                          | 27,365                          | —                                | 129,376                           | —                     |
| Income subject to tax                                   | 338,251                              | *2,558               | 4,219               | 18,106                    | 31,039                    | 26,019                      | 62,311                        | 21,872                         | 25,196                          | 20,916                          | —                                | 126,015                           | —                     |
| Income tax, total                                       | 136,984                              | *1,165               | 779                 | 3,725                     | 7,516                     | 7,425                       | 24,699                        | 9,714                          | 11,695                          | 9,947                           | —                                | 60,319                            | —                     |
| Additional tax for tax preferences                      | 122                                  | —                    | —                   | ( <sup>1</sup> )          | —                         | 4                           | ( <sup>1</sup> )              | 3                              | 32                              | 31                              | —                                | 52                                | —                     |
| Foreign tax credit                                      | *157                                 | —                    | —                   | —                         | —                         | —                           | *44                           | *113                           | ( <sup>1</sup> )                | —                               | —                                | —                                 | —                     |
| U.S. possessions tax credit                             | 36                                   | —                    | —                   | —                         | —                         | —                           | 36                            | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 19,332                               | *98                  | ( <sup>1</sup> )    | 914                       | 839                       | 1,559                       | 4,000                         | 1,232                          | 906                             | 1,530                           | —                                | 8,254                             | —                     |
| Work incentive (WIN) credit                             | *12                                  | —                    | —                   | —                         | —                         | —                           | —                             | 4                              | 4                               | 4                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 80,619                               | *7,150               | *4                  | *12,678                   | *2,208                    | 4,481                       | 18,860                        | *501                           | 1,427                           | 2,329                           | —                                | 30,981                            | —                     |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Services: Personal Services                             |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 40,559                               | 958                  | 31,651              | 4,534                     | 2,096                     | 825                         | 423                           | 41                             | 19                              | 3                               | ***                              | ***                               | ***                   |
| Total assets  | 5,317,623                            | —                    | 915,164             | 688,738                   | 729,357                   | 549,414                     | 766,645                       | 277,253                        | 301,511                         | 123,549                         |                                  | 965,992                           |                       |
| Notes and accounts receivable, net                      | 990,247                              | —                    | 139,703             | 111,418                   | 121,955                   | 95,441                      | 142,530                       | 52,302                         | 55,066                          | 32,606                          |                                  | 239,226                           |                       |
| Inventories   | 417,033                              | —                    | 49,043              | 66,118                    | 33,629                    | 28,286                      | 58,021                        | 14,906                         | 40,989                          | 11,344                          |                                  | 114,697                           |                       |
| Cash, Government obligations, and other current assets  | 866,672                              | —                    | 211,113             | 105,385                   | 121,828                   | 97,174                      | 105,727                       | 32,407                         | 45,052                          | 10,745                          |                                  | 137,241                           |                       |
| Other investments and loans <sup>1</sup>                | 436,797                              | —                    | 61,513              | 37,181                    | 56,724                    | 45,047                      | 47,193                        | 56,200                         | 28,584                          | 12,226                          |                                  | 92,129                            |                       |
| Depreciable assets                                      | 4,129,283                            | —                    | 1,019,072           | 624,855                   | 548,646                   | 399,817                     | 594,178                       | 168,263                        | 168,966                         | 67,448                          |                                  | 538,038                           |                       |
| Less: Accumulated depreciation                          | 2,191,647                            | —                    | 653,848             | 324,237                   | 261,554                   | 205,009                     | 297,695                       | 84,736                         | 86,507                          | 25,971                          |                                  | 252,090                           |                       |
| Other capital assets less reserves <sup>2</sup>         | 356,255                              | —                    | 21,990              | 35,803                    | 68,548                    | 68,291                      | 58,421                        | 17,027                         | 15,388                          | 8,098                           |                                  | 62,689                            |                       |
| Accounts and notes payable <sup>3</sup>                 | 830,621                              | —                    | 165,495             | 121,593                   | 102,727                   | 88,584                      | 107,159                       | 40,610                         | 41,766                          | 29,718                          |                                  | 132,969                           |                       |
| Other current liabilities                               | 543,071                              | —                    | 64,218              | 37,443                    | 42,418                    | 47,419                      | 52,360                        | 36,415                         | 28,781                          | 21,545                          |                                  | 212,472                           |                       |
| Mortgages, notes, and bonds payable in one year or more | 1,079,109                            | —                    | 128,177             | 150,560                   | 181,519                   | 152,549                     | 217,099                       | 57,364                         | 51,135                          | 26,894                          |                                  | 113,812                           |                       |
| Net worth   | 2,376,111                            | —                    | 417,336             | 297,600                   | 336,102                   | 231,607                     | 316,511                       | 103,183                        | 158,132                         | 41,002                          |                                  | 474,638                           |                       |
| Cost of property used for investment credit             | 341,389                              | *361                 | 65,108              | 55,152                    | 36,564                    | 26,301                      | 31,448                        | 13,853                         | 11,498                          | 8,507                           |                                  | 92,597                            |                       |
| Total receipts  | 9,131,411                            | 72,023               | 2,875,114           | 1,093,982                 | 1,094,516                 | 749,612                     | 1,064,814                     | 335,090                        | 547,435                         | 126,373                         |                                  | 1,172,452                         |                       |
| Business receipts                                       | 8,897,578                            | 68,362               | 2,817,986           | 1,073,807                 | 1,073,730                 | 732,509                     | 1,032,987                     | 320,229                        | 536,591                         | 122,161                         |                                  | 1,119,216                         |                       |
| Cost of sales and operations                            | 4,690,770                            | 35,882               | 1,431,760           | 522,660                   | 578,917                   | 386,887                     | 578,801                       | 170,063                        | 308,295                         | 48,874                          |                                  | 628,631                           |                       |
| Taxes paid  | 370,132                              | 2,874                | 124,502             | 45,255                    | 41,260                    | 29,923                      | 42,494                        | 14,572                         | 20,939                          | 4,282                           |                                  | 44,031                            |                       |
| Interest paid   | 128,609                              | *542                 | 20,989              | 18,434                    | 17,898                    | 14,480                      | 21,439                        | 3,909                          | 4,939                           | 5,690                           |                                  | 20,289                            |                       |
| Depreciation  | 395,542                              | 2,085                | 92,031              | 57,366                    | 42,346                    | 33,647                      | 43,581                        | 15,077                         | 14,510                          | 8,342                           |                                  | 86,557                            |                       |
| Pension, profit—sharing, stock bonus, and annuity plans | 57,259                               | *301                 | 9,195               | 5,728                     | 11,741                    | 8,046                       | 9,405                         | 2,332                          | 4,367                           | 290                             |                                  | 5,854                             |                       |
| Employee benefit programs                               | 37,417                               | *88                  | 7,858               | 4,000                     | 5,707                     | 2,731                       | 6,626                         | *821                           | 2,936                           | 33                              |                                  | 6,617                             |                       |
| Net income (less deficit)                               | 371,649                              | 549                  | 87,426              | 46,612                    | 48,474                    | 26,250                      | 38,202                        | 23,687                         | 23,452                          | 7,278                           |                                  | 69,719                            |                       |
| Net income  | 483,460                              | *4,789               | 131,202             | 63,678                    | 56,674                    | 30,184                      | 49,535                        | 26,003                         | 25,534                          | 7,278                           |                                  | 88,583                            |                       |
| Income subject to tax                                   | 347,884                              | *4,234               | 57,384              | 32,975                    | 43,415                    | 21,839                      | 43,695                        | 24,953                         | 24,869                          | 7,009                           |                                  | 87,511                            |                       |
| Income tax, total                                       | 124,841                              | *1,063               | 11,914              | 7,088                     | 12,071                    | 6,070                       | 18,148                        | 11,449                         | 11,643                          | 3,326                           |                                  | 42,069                            |                       |
| Additional tax for tax preferences                      | *6                                   | —                    | —                   | —                         | —                         | —                           | *6                            | —                              | —                               | —                               |                                  | —                                 |                       |
| Foreign tax credit                                      | 4,315                                | —                    | —                   | —                         | —                         | —                           | —                             | *589                           | 547                             | 112                             |                                  | 3,067                             |                       |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               |                                  | —                                 |                       |
| Investment credit                                       | 16,558                               | *33                  | 2,172               | 1,419                     | 1,612                     | 1,183                       | 2,004                         | 1,433                          | 1,009                           | 1,132                           |                                  | 4,561                             |                       |
| Work incentive (WIN) credit                             | 41                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 14                              | 24                              |                                  | 3                                 |                       |
| Distributions to stockholders except in own stock       | 110,833                              | —                    | 49,864              | 9,945                     | 7,726                     | 4,584                       | 4,534                         | 1,746                          | 3,568                           | 920                             |                                  | 27,946                            |                       |
| Services: Business Services                             |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 111,386                              | 3,424                | 82,435              | 13,769                    | 6,267                     | 2,722                       | 2,205                         | 278                            | 163                             | 64                              | 28                               | 21                                | 10                    |
| Total assets  | 29,155,249                           | —                    | 2,042,977           | 2,171,921                 | 2,229,181                 | 1,891,026                   | 4,391,949                     | 1,908,008                      | 2,568,849                       | 2,226,087                       | 1,927,655                        | 2,970,675                         | 4,826,921             |
| Notes and accounts receivable, net                      | 7,286,280                            | —                    | 408,700             | 522,820                   | 524,046                   | 466,881                     | 1,113,580                     | 523,477                        | 709,252                         | 722,281                         | 614,974                          | 1,072,642                         | 1,072,642             |
| Inventories   | 1,152,155                            | —                    | 32,018              | 73,273                    | 102,828                   | 101,393                     | 189,246                       | 77,188                         | 158,617                         | 104,943                         | 39,022                           | 103,689                           | 169,938               |
| Cash, Government obligations, and other current assets  | 5,265,459                            | —                    | 550,827             | 500,746                   | 464,197                   | 352,829                     | 686,969                       | 282,406                        | 375,651                         | 342,356                         | 285,479                          | 506,453                           | 917,546               |
| Other investments and loans <sup>1</sup>                | 4,879,592                            | —                    | 225,766             | 279,063                   | 231,456                   | 202,720                     | 581,959                       | 239,178                        | 353,064                         | 495,954                         | 354,693                          | 598,290                           | 1,317,449             |
| Depreciable assets                                      | 15,292,540                           | —                    | 1,400,350           | 1,290,716                 | 1,289,565                 | 1,134,896                   | 2,556,205                     | 1,052,667                      | 1,443,775                       | 697,801                         | 911,679                          | 1,548,588                         | 1,966,298             |
| Less: Accumulated depreciation                          | 7,067,143                            | —                    | 740,411             | 665,811                   | 572,302                   | 541,120                     | 1,155,711                     | 414,237                        | 681,790                         | 296,704                         | 449,392                          | 685,937                           | 863,728               |
| Other capital assets less reserves <sup>2</sup>         | 1,053,209                            | —                    | 63,008              | 85,810                    | 126,957                   | 112,047                     | 218,945                       | 73,054                         | 84,217                          | 52,144                          | 26,915                           | 60,862                            | 149,250               |
| Accounts and notes payable <sup>3</sup>                 | 8,304,258                            | —                    | 634,057             | 627,477                   | 620,848                   | 564,428                     | 1,297,681                     | 553,433                        | 683,486                         | 653,432                         | 643,474                          | 1,298,535                         | 1,298,535             |
| Other current liabilities                               | 3,226,578                            | —                    | 271,947             | 219,813                   | 199,000                   | 194,062                     | 364,018                       | 191,503                        | 269,490                         | 170,845                         | 169,479                          | 227,542                           | 948,879               |
| Mortgages, notes, and bonds payable in one year or more | 6,386,764                            | —                    | 312,558             | 438,557                   | 413,099                   | 354,481                     | 1,075,908                     | 474,227                        | 545,912                         | 409,175                         | 411,403                          | 1,711,646                         | 1,239,798             |
| Net worth   | 8,436,438                            | —                    | 384,521             | 500,342                   | 871,591                   | 620,681                     | 1,339,103                     | 480,190                        | 916,327                         | 745,523                         | 572,236                          | 963,296                           | 1,042,628             |
| Cost of property used for investment credit             | 2,249,749                            | 50,465               | 236,638             | 251,874                   | 227,062                   | 187,930                     | 365,820                       | 192,307                        | 180,868                         | 102,857                         | 71,663                           | 230,015                           | 152,250               |
| Total receipts  | 44,112,885                           | 332,450              | 7,715,996           | 5,702,879                 | 4,251,206                 | 3,346,464                   | 6,610,340                     | 2,195,800                      | 2,722,484                       | 3,623,814                       | 2,708,958                        | 2,785,180                         | 2,117,314             |
| Business receipts                                       | 42,299,900                           | 315,638              | 7,565,624           | 5,535,344                 | 4,062,715                 | 3,233,756                   | 6,272,982                     | 2,081,766                      | 2,575,308                       | 3,459,009                       | 2,607,275                        | 2,639,477                         | 1,951,006             |
| Cost of sales and operations                            | 24,787,083                           | 156,610              | 3,581,660           | 3,396,154                 | 2,379,054                 | 1,879,711                   | 3,883,264                     | 1,158,007                      | 1,495,428                       | 2,638,837                       | 1,904,558                        | 1,454,712                         | 859,088               |
| Taxes paid  | 1,313,082                            | 9,824                | 275,305             | 162,149                   | 138,028                   | 127,379                     | 177,493                       | 64,976                         | 73,677                          | 89,275                          | 57,002                           | 85,953                            | 52,021                |
| Interest paid   | 862,416                              | 4,397                | 58,890              | 48,655                    | 58,450                    | 51,766                      | 134,125                       | 70,782                         | 73,028                          | 54,339                          | 49,314                           | 74,763                            | 183,907               |
| Depreciation  | 1,908,502                            | 17,397               | 180,655             | 145,195                   | 152,478                   | 137,120                     | 301,150                       | 142,629                        | 161,825                         | 93,068                          | 98,830                           | 139,940                           | 338,215               |
| Pension, profit—sharing, stock bonus, and annuity plans | 390,833                              | 4,828                | 58,783              | 43,137                    | 45,221                    | 29,804                      | 64,515                        | 17,586                         | 31,324                          | 38,877                          | 33,823                           | 18,905                            | 14,030                |
| Employee benefit programs                               | 233,132                              | 2,738                | 36,769              | 27,072                    | 23,794                    | 21,054                      | 29,654                        | 18,948                         | 14,741                          | 8,734                           | 6,824                            | 33,798                            | 9,006                 |
| Net income (less deficit)                               | 1,362,032                            | —6,690               | 96,607              | 154,622                   | 114,568                   | 116,633                     | 211,848                       | 117,278                        | 150,153                         | 135,562                         | 126,757                          | 87,848                            | 56,846                |
| Net income  | 2,130,027                            | 23,245               | 355,813             | 233,073                   | 171,677                   | 161,162                     | 310,285                       | 145,422                        | 175,840                         | 153,832                         | 138,883                          | 186,015                           | 74,780                |
| Income subject to tax                                   | 1,624,241                            | 17,135               | 176,340             | 165,714                   | 129,053                   | 125,941                     | 237,390                       | 119,009                        | 155,385                         | 136,304                         | 119,673                          | 173,430                           | 68,867                |
| Income tax, total                                       | 630,437                              | 5,413                | 35,816              | 39,937                    | 36,191                    | 45,523                      | 100,894                       | 55,461                         | 73,457                          | 65,155                          | 57,360                           | 83,195                            | 32,035                |
| Additional tax for tax preferences                      | *86                                  | —                    | —                   | —                         | —                         | —                           | *57                           | *21                            | —                               | 5                               | 3                                | —                                 | —                     |
| Foreign tax credit                                      | 35,099                               | —                    | *852                | *67                       | —                         | *18                         | 3,742                         | 1,302                          | 3,634                           | 4,030                           | 7,024                            | 13,829                            | 601                   |
| U.S. possessions tax credit                             | 813                                  | —                    | 31                  | —                         | 17                        | 306                         | 187                           | 272                            | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 91,867                               | 892                  | 5,153               | 10,979                    | 7,526                     | 10,495                      | 15,622                        | 7,787                          | 8,487                           | 4,157                           | 4,699                            | 12,580                            | 3,490                 |
| Work incentive (WIN) credit                             | 373                                  | —                    | —                   | —                         | —                         | *169                        | *36                           | *1                             | 5                               | 43                              | 73                               | 73                                | ( <sup>1</sup> )      |
| Distributions to stockholders except in own stock       | 332,502                              | *745                 | 84,395              | 12,205                    | 26,210                    | 12,379                      | 28,769                        | 13,350                         | 28,949                          | 36,159                          | 38,094                           | 33,384                            | 17,863                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| Services: Auto Repair; Miscellaneous Repair Services    |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 57,258                               | 1,704                | 41,081              | 8,409                     | 3,054                     | 1,657                       | 1,196                         | 98                             | 42                              | 7                               | 3                                | 3                                 | 4                     |
| Total assets  | 11,417,112                           | —                    | 1,323,616           | 1,281,643                 | 1,080,480                 | 1,181,482                   | 2,388,367                     | 646,932                        | 634,694                         | 234,598                         | 232,130                          | 450,059                           | 1,963,111             |
| Notes and accounts receivable, net                      | 1,669,708                            | —                    | 197,947             | 194,605                   | 164,375                   | 162,143                     | 268,850                       | 66,500                         | 106,515                         | 38,415                          | 132,095                          | 42,680                            | 295,583               |
| Inventories   | 844,751                              | —                    | 223,469             | 147,878                   | 112,195                   | 116,003                     | 127,021                       | 14,929                         | 25,035                          | 4,674                           | 9,759                            | 12,012                            | 51,776                |
| Cash, Government obligations, and other current assets  | 1,120,199                            | —                    | 219,888             | 211,258                   | 145,373                   | 115,750                     | 184,951                       | 33,111                         | 48,010                          | 16,553                          | 21,134                           | 18,839                            | 105,332               |
| Other investments and loans <sup>1</sup>                | 612,087                              | —                    | 72,138              | 84,639                    | 77,495                    | 70,095                      | 90,911                        | 33,988                         | 40,713                          | 22,577                          | —                                | 24,898                            | 94,633                |
| Depreciable assets                                      | 10,655,765                           | —                    | 1,010,448           | 957,221                   | 739,955                   | 1,035,677                   | 2,482,871                     | 663,461                        | 609,707                         | 186,587                         | 85,530                           | 742,594                           | 2,141,714             |
| Less: Accumulated depreciation                          | 4,216,928                            | —                    | 493,914             | 414,846                   | 262,365                   | 407,954                     | 880,252                       | 208,565                        | 217,812                         | 64,867                          | 25,263                           | 399,636                           | 841,454               |
| Other capital assets less reserves <sup>2</sup>         | 477,032                              | —                    | 52,520              | 70,237                    | 67,082                    | 55,614                      | 83,652                        | 31,590                         | 4,732                           | 28,336                          | 6,180                            | 7,868                             | 69,221                |
| Accounts and notes payable <sup>1</sup>                 | 3,326,010                            | —                    | 330,271             | 386,998                   | 255,075                   | 390,739                     | 987,067                       | 204,351                        | 232,452                         | 54,868                          | 132,031                          | 24,449                            | 327,709               |
| Other current liabilities                               | 775,866                              | —                    | 104,220             | 79,344                    | 63,489                    | 80,537                      | 106,902                       | 27,916                         | 35,857                          | 15,511                          | 16,316                           | 32,124                            | 213,655               |
| Mortgages, notes, and bonds payable in one year or more | 3,702,119                            | —                    | 245,196             | 238,587                   | 263,632                   | 317,899                     | 762,420                       | 302,485                        | 242,516                         | 81,139                          | 64,986                           | 305,338                           | 877,921               |
| Net worth   | 2,901,659                            | —                    | 383,092             | 465,113                   | 431,775                   | 333,690                     | 433,716                       | 106,534                        | 82,370                          | 76,813                          | 18,251                           | 80,987                            | 489,318               |
| Cost of property used for investment credit             | 1,891,973                            | *13,530              | 130,430             | 120,656                   | 140,760                   | 188,090                     | 540,876                       | 167,468                        | 97,344                          | 37,849                          | 41,334                           | 46,016                            | 367,620               |
| Total receipts  | 15,738,807                           | 107,167              | 4,598,245           | 2,484,125                 | 1,605,167                 | 1,572,065                   | 2,281,796                     | 380,212                        | 478,998                         | 175,565                         | 70,032                           | 271,842                           | 1,713,593             |
| Business receipts                                       | 15,067,844                           | 105,452              | 4,553,472           | 2,365,103                 | 1,558,225                 | 1,512,158                   | 2,131,578                     | 339,921                        | 418,582                         | 158,917                         | 59,010                           | 264,354                           | 1,601,072             |
| Cost of sales and operations                            | 8,078,080                            | 37,540               | 2,756,384           | 1,390,281                 | 876,021                   | 916,971                     | 999,923                       | 125,773                        | 189,264                         | 54,378                          | 12,883                           | 87,675                            | 630,987               |
| Taxes paid  | 525,154                              | 3,629                | 173,991             | 88,235                    | 44,870                    | 43,226                      | 67,069                        | 10,585                         | 12,003                          | 6,516                           | 895                              | 4,952                             | 69,183                |
| Interest paid   | 522,335                              | 3,444                | 35,779              | 42,474                    | 30,249                    | 49,170                      | 129,642                       | 36,000                         | 36,152                          | 11,669                          | 14,871                           | 26,788                            | 106,097               |
| Depreciation  | 1,780,263                            | 11,705               | 129,146             | 143,363                   | 108,669                   | 168,159                     | 477,494                       | 123,723                        | 120,584                         | 37,485                          | 31,791                           | 109,907                           | 318,237               |
| Pension, profit-sharing, stock bonus, and annuity plans | 54,982                               | *80                  | 3,640               | 12,166                    | 9,367                     | 5,984                       | 12,098                        | 1,146                          | 1,398                           | 332                             | —                                | 431                               | 8,340                 |
| Employee benefit programs                               | 66,532                               | *141                 | 19,933              | 7,757                     | 4,924                     | 5,385                       | 7,842                         | 878                            | 1,957                           | 88                              | 99                               | 419                               | 17,109                |
| Net income (less deficit)                               | 497,840                              | —6,673               | 19,378              | 77,692                    | 66,503                    | 77,025                      | 90,546                        | 19,566                         | 4,969                           | 11,251                          | 161                              | 1,021                             | 136,401               |
| Net income  | 700,878                              | 6,328                | 120,812             | 102,844                   | 78,142                    | 85,974                      | 116,677                       | 22,820                         | 13,183                          | 11,568                          | 1,379                            | 4,750                             | 136,401               |
| Income subject to tax                                   | 550,934                              | *5,854               | 85,688              | 85,450                    | 47,432                    | 80,289                      | 95,187                        | 20,498                         | 8,382                           | 11,421                          | 40                               | 4,750                             | 105,943               |
| Income tax, total                                       | 194,993                              | *1,693               | 18,074              | 20,288                    | 13,008                    | 29,870                      | 40,159                        | 9,335                          | 4,222                           | 4,916                           | 8                                | 2,289                             | 51,131                |
| Additional tax for tax preferences                      | *16                                  | —                    | —                   | —                         | —                         | —                           | —                             | *12                            | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit                                      | 5,308                                | —                    | —                   | —                         | —                         | —                           | *24                           | *1,629                         | 1                               | —                               | 8                                | 6                                 | 3,640                 |
| U.S. possessions tax credit                             | 5                                    | —                    | —                   | ( <sup>1</sup> )          | —                         | 5                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 50,199                               | *574                 | 3,463               | 4,124                     | 3,725                     | 5,970                       | 11,608                        | 2,739                          | 958                             | 593                             | —                                | 1,080                             | 15,365                |
| Work incentive (WIN) credit                             | *198                                 | —                    | *97                 | *68                       | *33                       | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 45,924                               | *( <sup>1</sup> )    | 18,753              | *2,348                    | *5,160                    | 3,436                       | 7,907                         | 1,895                          | 217                             | 2,196                           | 120                              | 396                               | 3,496                 |
| Services: Amusement and Recreation Services             |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 39,307                               | 1,966                | 23,531              | 7,194                     | 3,155                     | 1,882                       | 1,293                         | 138                            | 94                              | 27                              | 16                               | 4                                 | 7                     |
| Total assets  | 17,758,297                           | —                    | 609,700             | 1,149,213                 | 1,126,030                 | 1,310,011                   | 2,474,839                     | 950,109                        | 1,359,198                       | 900,763                         | 1,052,982                        | 754,731                           | 6,070,721             |
| Notes and accounts receivable, net                      | 1,613,550                            | —                    | 41,826              | 89,354                    | 101,097                   | 102,911                     | 218,183                       | 90,811                         | 161,127                         | 64,419                          | 110,416                          | 45,903                            | 587,503               |
| Inventories   | 1,106,716                            | —                    | 36,028              | 55,309                    | 35,851                    | 52,007                      | 80,652                        | 4,607                          | 58,743                          | 40,362                          | 39,952                           | 15,599                            | 687,606               |
| Cash, Government obligations, and other current assets  | 2,988,861                            | —                    | 153,749             | 183,484                   | 163,443                   | 176,011                     | 338,809                       | 179,234                        | 205,807                         | 131,544                         | 144,862                          | 117,142                           | 1,194,776             |
| Other investments and loans <sup>1</sup>                | 3,071,209                            | —                    | 47,185              | 79,521                    | 64,175                    | 83,905                      | 281,333                       | 94,888                         | 200,774                         | 115,816                         | 141,781                          | 146,196                           | 1,815,635             |
| Depreciable assets                                      | 11,291,958                           | —                    | 728,337             | 1,295,620                 | 1,144,631                 | 1,204,197                   | 1,991,358                     | 658,997                        | 800,179                         | 651,626                         | 741,766                          | 456,883                           | 1,618,364             |
| Less: Accumulated depreciation                          | 5,051,369                            | —                    | 458,504             | 757,993                   | 577,193                   | 530,142                     | 906,592                       | 305,797                        | 331,511                         | 240,935                         | 305,584                          | 147,897                           | 489,221               |
| Other capital assets less reserves <sup>2</sup>         | 1,725,544                            | —                    | 29,319              | 167,977                   | 155,516                   | 186,282                     | 378,064                       | 163,990                        | 183,929                         | 110,722                         | 123,110                          | 57,689                            | 168,946               |
| Accounts and notes payable <sup>1</sup>                 | 3,438,546                            | —                    | 166,560             | 205,790                   | 161,858                   | 234,781                     | 580,107                       | 248,071                        | 271,463                         | 77,298                          | 193,760                          | 64,901                            | 1,233,957             |
| Other current liabilities                               | 2,286,436                            | —                    | 85,608              | 94,770                    | 115,850                   | 93,695                      | 220,639                       | 76,392                         | 154,253                         | 63,510                          | 105,862                          | 56,443                            | 1,219,414             |
| Mortgages, notes, and bonds payable in one year or more | 4,859,482                            | —                    | 154,936             | 272,175                   | 453,284                   | 481,307                     | 802,342                       | 312,163                        | 386,199                         | 347,346                         | 472,534                          | 296,148                           | 881,048               |
| Net worth   | 5,558,030                            | —                    | 38,526              | 369,061                   | 313,540                   | 356,009                     | 531,261                       | 234,996                        | 483,126                         | 324,035                         | 200,621                          | 309,898                           | 2,396,957             |
| Cost of property used for investment credit             | 1,140,653                            | *1,074               | 49,985              | 61,570                    | 58,648                    | 69,474                      | 139,388                       | 32,571                         | 63,611                          | 28,573                          | 50,022                           | 39,905                            | 545,832               |
| Total receipts  | 18,315,957                           | 228,165              | 1,779,898           | 1,502,738                 | 1,322,610                 | 1,362,364                   | 2,531,604                     | 826,113                        | 1,228,867                       | 828,578                         | 1,037,030                        | 1,273,641                         | 4,394,349             |
| Business receipts                                       | 16,819,485                           | 202,459              | 1,700,779           | 1,444,990                 | 1,207,316                 | 1,282,939                   | 2,331,294                     | 755,924                        | 1,133,437                       | 718,644                         | 978,243                          | 1,221,888                         | 3,841,572             |
| Cost of sales and operations                            | 8,878,222                            | 109,454              | 824,756             | 708,973                   | 598,446                   | 676,250                     | 1,285,973                     | 403,020                        | 568,568                         | 340,313                         | 573,412                          | 735,868                           | 2,053,189             |
| Taxes paid  | 723,190                              | 7,398                | 61,007              | 70,287                    | 56,617                    | 59,229                      | 121,190                       | 41,175                         | 64,892                          | 46,354                          | 71,378                           | 40,314                            | 83,349                |
| Interest paid   | 525,576                              | 5,168                | 17,681              | 36,219                    | 39,064                    | 48,591                      | 83,478                        | 25,710                         | 39,186                          | 28,633                          | 52,343                           | 29,460                            | 120,043               |
| Depreciation  | 1,471,797                            | 14,129               | 60,207              | 87,676                    | 74,439                    | 88,539                      | 165,321                       | 41,373                         | 76,888                          | 37,258                          | 80,990                           | 33,802                            | 711,175               |
| Pension, profit-sharing, stock bonus, and annuity plans | 98,441                               | *294                 | 7,814               | 5,957                     | 9,398                     | 13,322                      | 10,485                        | 5,625                          | 9,290                           | 4,010                           | 5,384                            | 3,227                             | 23,635                |
| Employee benefit programs                               | 70,422                               | *609                 | 8,888               | 3,946                     | 4,196                     | 2,480                       | 6,217                         | 3,879                          | 5,731                           | 6,077                           | 8,316                            | 6,332                             | 13,751                |
| Net income (less deficit)                               | 806,410                              | 2,468                | —22,283             | 23,277                    | 39,152                    | 42,892                      | 51,561                        | 43,404                         | 109,449                         | 66,613                          | 6,734                            | 57,919                            | 385,224               |
| Net income  | 1,220,955                            | 18,984               | 77,018              | 62,817                    | 86,409                    | 81,958                      | 129,478                       | 63,892                         | 135,115                         | 91,346                          | 30,795                           | 57,919                            | 385,224               |
| Income subject to tax                                   | 907,629                              | 4,866                | 44,786              | 36,828                    | 40,979                    | 58,572                      | 88,282                        | 45,883                         | 100,613                         | 72,285                          | 23,222                           | 56,115                            | 330,198               |
| Income tax, total                                       | 385,976                              | 1,618                | 9,842               | 8,308                     | 9,433                     | 19,856                      | 37,090                        | 20,684                         | 47,172                          | 36,766                          | 10,947                           | 26,248                            | 158,012               |
| Additional tax for tax preferences                      | *483                                 | —                    | —                   | —                         | —                         | —                           | *144                          | *10                            | —                               | ( <sup>1</sup> )                | 193                              | —                                 | 136                   |
| Foreign tax credit                                      | 40,473                               | —                    | —                   | ( <sup>1</sup> )          | *128                      | *110                        | *309                          | —                              | 601                             | 12                              | 352                              | —                                 | 38,961                |
| U.S. possessions tax credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 60,342                               | *169                 | 1,156               | 2,236                     | 2,786                     | 3,256                       | 5,334                         | 1,062                          | 3,802                           | 1,307                           | 1,848                            | 3,173                             | 34,213                |
| Work incentive (WIN) credit                             | *7                                   | —                    | —                   | —                         | —                         | —                           | *4                            | —                              | —                               | —                               | 3                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 197,527                              | *4,198               | 10,565              | 8,390                     | 18,685                    | 10,464                      | 14,758                        | 24,510                         | 26,130                          | 8,114                           | 6,054                            | 10,817                            | 54,842                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 6.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Major Industry, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Major industry, item                                    | Total returns of active corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
|   | (1)                                  | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                            | (11)                             | (12)                              | (13)                  |
| <b>Services: Other Services</b>                         |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 199,940                              | 7,094                | 164,466             | 17,014                    | 5,729                     | 3,207                       | 2,077                         | 192                            | 98                              | 32                              | 18                               | 8                                 | 5                     |
| Total assets  | 23,071,754                           | —                    | 3,924,707           | 2,586,317                 | 1,986,401                 | 2,184,802                   | 4,027,913                     | 1,335,025                      | 1,415,915                       | 1,088,445                       | 1,259,099                        | 1,260,216                         | 2,002,914             |
| Notes and accounts receivable, net                      | 4,182,791                            | —                    | 434,073             | 447,896                   | 351,427                   | 411,789                     | 810,391                       | 280,993                        | 308,316                         | 261,979                         | 384,955                          | 271,332                           | 219,640               |
| Inventories   | 893,305                              | —                    | 150,534             | 87,215                    | 57,847                    | 98,582                      | 234,583                       | 61,580                         | 66,736                          | 21,344                          | 48,932                           | 36,594                            | 29,358                |
| Cash, Government obligations, and other current assets  | 4,261,771                            | —                    | 1,195,749           | 726,654                   | 414,518                   | 356,817                     | 655,450                       | 165,863                        | 140,561                         | 128,970                         | 167,958                          | 167,958                           | 148,708               |
| Other investments and loans <sup>1</sup>                | 2,790,819                            | —                    | 404,625             | 300,436                   | 226,478                   | 159,712                     | 387,777                       | 128,746                        | 222,233                         | 201,419                         | 221,008                          | 347,136                           | 191,249               |
| Depreciable assets                                      | 13,096,164                           | —                    | 2,858,188           | 1,368,846                 | 1,133,302                 | 1,318,473                   | 2,168,323                     | 739,059                        | 668,421                         | 485,697                         | 507,864                          | 462,865                           | 1,385,126             |
| Less: Accumulated depreciation                          | 4,540,769                            | —                    | 1,425,484           | 545,910                   | 415,720                   | 444,839                     | 679,155                       | 235,516                        | 174,965                         | 124,510                         | 138,488                          | 126,464                           | 229,718               |
| Other capital assets less reserves <sup>2</sup>         | 1,352,632                            | —                    | 118,188             | 108,465                   | 168,302                   | 201,189                     | 292,520                       | 104,106                        | 94,489                          | 57,078                          | 42,471                           | 50,345                            | 115,479               |
| Accounts and notes payable <sup>3</sup>                 | 4,479,738                            | —                    | 900,737             | 535,658                   | 400,951                   | 444,053                     | 907,913                       | 292,327                        | 274,311                         | 148,870                         | 181,275                          | 189,592                           | 204,051               |
| Other current liabilities                               | 2,601,496                            | —                    | 567,073             | 266,185                   | 197,416                   | 218,293                     | 438,255                       | 142,901                        | 140,041                         | 144,045                         | 207,237                          | 156,501                           | 123,549               |
| Mortgages, notes, and bonds payable in one year or more | 6,603,021                            | —                    | 579,241             | 427,515                   | 599,775                   | 730,570                     | 1,432,216                     | 456,409                        | 462,486                         | 371,418                         | 303,169                          | 326,555                           | 914,027               |
| Net worth   | 7,155,322                            | —                    | 1,150,381           | 1,140,702                 | 596,116                   | 564,176                     | 946,083                       | 301,760                        | 394,549                         | 346,562                         | 470,509                          | 533,656                           | 710,828               |
| Cost of property used for investment credit             | 1,259,170                            | 2,037                | 434,710             | 192,075                   | 92,704                    | 82,977                      | 149,525                       | 46,716                         | 43,226                          | 36,487                          | 36,039                           | 25,078                            | 117,596               |
| Total receipts  | 52,418,995                           | 763,678              | 24,291,224          | 6,586,991                 | 3,799,493                 | 3,424,195                   | 5,214,781                     | 1,454,148                      | 1,538,232                       | 1,257,776                       | 1,122,103                        | 1,360,885                         | 1,605,489             |
| Business receipts                                       | 50,907,381                           | 699,149              | 23,882,166          | 6,423,329                 | 3,674,475                 | 3,339,544                   | 4,963,998                     | 1,390,651                      | 1,464,047                       | 1,183,092                       | 1,025,879                        | 1,322,480                         | 1,538,571             |
| Cost of sales and operations                            | 22,458,137                           | 492,688              | 6,855,667           | 2,961,357                 | 1,944,591                 | 2,007,082                   | 2,948,713                     | 885,565                        | 919,911                         | 817,311                         | 692,709                          | 1,008,969                         | 923,574               |
| Taxes paid  | 1,645,316                            | 19,624               | 664,941             | 210,511                   | 133,098                   | 135,017                     | 188,968                       | 52,539                         | 57,813                          | 40,803                          | 45,277                           | 30,946                            | 65,779                |
| Interest paid   | 741,545                              | 18,750               | 98,541              | 51,741                    | 55,465                    | 78,262                      | 139,998                       | 43,753                         | 43,697                          | 38,192                          | 37,923                           | 29,237                            | 105,986               |
| Depreciation  | 1,096,588                            | 7,609                | 376,863             | 135,789                   | 84,692                    | 82,910                      | 130,980                       | 51,367                         | 43,417                          | 29,452                          | 30,770                           | 23,764                            | 98,975                |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,071,668                            | 4,865                | 1,566,958           | 228,534                   | 90,051                    | 52,775                      | 64,733                        | 10,945                         | 15,926                          | 11,937                          | 11,222                           | 6,454                             | 7,468                 |
| Employee benefit programs                               | 336,313                              | 6,963                | 152,737             | 45,906                    | 20,256                    | 25,347                      | 33,852                        | 8,049                          | 11,595                          | 8,629                           | 8,192                            | 2,861                             | 11,926                |
| Net income (less deficit)                               | 1,145,575                            | 13,616               | 207,099             | 218,490                   | 148,164                   | 199,124                     | 137,905                       | 45,244                         | 66,078                          | 71,842                          | 45,502                           | 44,623                            | 47,888                |
| Net income  | 1,982,081                            | 53,207               | 652,768             | 303,550                   | 194,317                   | 149,112                     | 239,106                       | 77,812                         | 89,191                          | 73,836                          | 46,213                           | 55,081                            | 47,888                |
| Income subject to tax                                   | 1,416,221                            | 29,368               | 447,471             | 220,493                   | 128,020                   | 99,171                      | 183,852                       | 60,980                         | 55,090                          | 44,316                          | 36,787                           | 47,873                            | 47,873                |
| Income tax, total                                       | 445,721                              | 13,988               | 89,940              | 51,514                    | 37,454                    | 32,323                      | 77,017                        | 27,865                         | 29,131                          | 25,746                          | 20,830                           | 16,836                            | 23,077                |
| Additional tax for tax preferences                      | 306                                  | —                    | —                   | —                         | —                         | 18                          | 36                            | 6                              | 5                               | 4                               | 69                               | —                                 | 168                   |
| Foreign tax credit                                      | 7,926                                | 1,425                | —                   | ( <sup>4</sup> )          | —                         | 291                         | 2,362                         | 1,264                          | 581                             | 40                              | 197                              | 1,461                             | 305                   |
| U.S. possessions tax credit                             | 1,066                                | —                    | —                   | —                         | —                         | —                           | 1,066                         | —                              | —                               | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 61,048                               | 316                  | 15,487              | 8,338                     | 4,328                     | 3,439                       | 7,068                         | 2,269                          | 2,991                           | 4,293                           | 2,531                            | 1,742                             | 8,246                 |
| Work incentive (WIN) credit                             | 317                                  | —                    | 143                 | —                         | 32                        | 52                          | 33                            | 18                             | 6                               | 7                               | 1                                | 7                                 | 18                    |
| Distributions to stockholders except in own stock       | 380,660                              | 97,771               | 86,311              | 36,712                    | 35,847                    | 13,935                      | 26,443                        | 8,697                          | 10,881                          | 21,439                          | 4,968                            | 7,071                             | 30,585                |
| <b>Nature of Business not Allocable</b>                 |                                      |                      |                     |                           |                           |                             |                               |                                |                                 |                                 |                                  |                                   |                       |
| Number of returns                                       | 2,825                                | 174                  | 1,617               | 623                       | 65                        | 206                         | 120                           | 12                             | 8                               | —                               | —                                | —                                 | —                     |
| Total assets  | 747,276                              | —                    | 47,330              | 104,909                   | 17,720                    | 143,775                     | 221,224                       | 73,677                         | 138,641                         | —                               | —                                | —                                 | —                     |
| Notes and accounts receivable, net                      | 152,411                              | —                    | 4,380               | 16,220                    | 5,693                     | 29,486                      | 41,227                        | 26,307                         | 29,098                          | —                               | —                                | —                                 | —                     |
| Inventories   | 161,380                              | —                    | 12,822              | 24,588                    | 2,140                     | 38,580                      | 59,469                        | 2,667                          | 23,514                          | —                               | —                                | —                                 | —                     |
| Cash, Government obligations, and other current assets  | 122,673                              | —                    | 8,666               | 27,597                    | 1,515                     | 15,704                      | 28,026                        | 15,702                         | 25,463                          | —                               | —                                | —                                 | —                     |
| Other investments and loans <sup>1</sup>                | 88,584                               | —                    | 9,485               | 1,044                     | 6,100                     | 17,835                      | 10,822                        | 14,898                         | 28,600                          | —                               | —                                | —                                 | —                     |
| Depreciable assets                                      | 279,584                              | —                    | 14,713              | 44,504                    | 3,360                     | 57,993                      | 109,367                       | 16,173                         | 33,474                          | —                               | —                                | —                                 | —                     |
| Less: Accumulated depreciation                          | 127,920                              | —                    | 6,645               | 28,016                    | 1,088                     | 24,382                      | 54,444                        | 306                            | 13,039                          | —                               | —                                | —                                 | —                     |
| Other capital assets less reserves <sup>2</sup>         | 43,681                               | —                    | 2,247               | 15,164                    | —                         | 7,898                       | 15,877                        | 51                             | 2,444                           | —                               | —                                | —                                 | —                     |
| Accounts and notes payable <sup>3</sup>                 | 195,546                              | —                    | 8,321               | 30,540                    | 4,691                     | 56,638                      | 68,052                        | 2,667                          | 24,637                          | —                               | —                                | —                                 | —                     |
| Other current liabilities                               | 111,397                              | —                    | 3,604               | 6,588                     | 1,651                     | 8,564                       | 18,392                        | 36,456                         | 36,142                          | —                               | —                                | —                                 | —                     |
| Mortgages, notes, and bonds payable in one year or more | 137,998                              | —                    | 11,748              | 20,380                    | 1,024                     | 32,052                      | 36,826                        | 13,806                         | 22,162                          | —                               | —                                | —                                 | —                     |
| Net worth   | 242,042                              | —                    | 10,615              | 24,209                    | 10,354                    | 35,706                      | 89,372                        | 19,197                         | 52,589                          | —                               | —                                | —                                 | —                     |
| Cost of property used for investment credit             | 22,860                               | 144                  | 2,192               | 704                       | 1,472                     | 5,830                       | 9,259                         | 1,377                          | 1,882                           | —                               | —                                | —                                 | —                     |
| Total receipts  | 1,356,346                            | 3,765                | 177,857             | 154,176                   | 40,992                    | 324,686                     | 443,039                       | 3,537                          | 208,294                         | —                               | —                                | —                                 | —                     |
| Business receipts                                       | 1,319,895                            | 3,588                | 175,263             | 150,093                   | 39,253                    | 316,964                     | 431,964                       | 828                            | 201,942                         | —                               | —                                | —                                 | —                     |
| Cost of sales and operations                            | 910,136                              | 2,516                | 68,984              | 95,443                    | 31,196                    | 224,665                     | 330,558                       | 174                            | 156,600                         | —                               | —                                | —                                 | —                     |
| Taxes paid  | 27,946                               | 9                    | 5,071               | 4,329                     | 1,474                     | 6,233                       | 7,583                         | 75                             | 3,172                           | —                               | —                                | —                                 | —                     |
| Interest paid   | 22,339                               | 91                   | 1,160               | 2,612                     | 352                       | 5,783                       | 7,156                         | 1,455                          | 3,730                           | —                               | —                                | —                                 | —                     |
| Depreciation  | 26,704                               | 19                   | 1,974               | 4,628                     | 800                       | 5,483                       | 9,970                         | 810                            | 3,020                           | —                               | —                                | —                                 | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans | 13,937                               | —                    | 11,133              | —                         | 117                       | 1,690                       | —                             | 9                              | 988                             | —                               | —                                | —                                 | —                     |
| Employee benefit programs                               | 4,478                                | 11                   | 230                 | 1,941                     | 825                       | 1,302                       | —                             | 30                             | 139                             | —                               | —                                | —                                 | —                     |
| Net income (less deficit)                               | 17,401                               | 964                  | 1,781               | 5,149                     | 3,084                     | 6,339                       | 10,532                        | 405                            | 8,125                           | —                               | —                                | —                                 | —                     |
| Net income  | 50,045                               | 134                  | 4,434               | 10,157                    | 3,084                     | 3,242                       | 20,289                        | 399                            | 8,306                           | —                               | —                                | —                                 | —                     |
| Income subject to tax                                   | 38,007                               | 42                   | 4,146               | 3,864                     | 3,052                     | 2,184                       | 17,045                        | 399                            | 7,275                           | —                               | —                                | —                                 | —                     |
| Income tax, total                                       | 13,600                               | 8                    | 708                 | 788                       | 649                       | 457                         | 7,453                         | 111                            | 3,426                           | —                               | —                                | —                                 | —                     |
| Additional tax for tax preferences                      | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Foreign tax credit                                      | 57                                   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | 57                              | —                               | —                                | —                                 | —                     |
| U.S. possessions tax credit                             | 552                                  | —                    | —                   | —                         | —                         | —                           | 187                           | —                              | 365                             | —                               | —                                | —                                 | —                     |
| Investment credit                                       | 1,058                                | ( <sup>4</sup> )     | ( <sup>4</sup> )    | 68                        | 96                        | 267                         | 481                           | 12                             | 134                             | —                               | —                                | —                                 | —                     |
| Work incentive (WIN) credit                             | —                                    | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                               | —                               | —                                | —                                 | —                     |
| Distributions to stockholders except in own stock       | 1,800                                | —                    | —                   | —                         | —                         | 117                         | 900                           | 150                            | 633                             | —                               | —                                | —                                 | —                     |

<sup>1</sup> Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>2</sup> Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

<sup>3</sup> Identifies (a) size classes for which data were deleted to avoid disclosure of information for specific corporations and (b) combined frequencies or amounts which include the data thus deleted from another size class.

Includes loans to stockholders, mortgage and real estate loans, and "other investments."

Includes depletable assets less accumulated depletion, land, and intangible assets less accumulated amortization.

Includes accounts payable and mortgages, notes, and bonds payable in less than one year.

Less than \$500 per return.

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Industrial division, item                               | Total returns of active corporations | Size of business receipts   |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
|---|--------------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Under \$25,000 <sup>1</sup> | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 under \$500,000,000 | \$500,000,000 or more |
|   | (1)                                  | (2)                         | (3)                     | (4)                      | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                             | (11)                              | (12)                              | (13)                  |
| All Industrial Divisions <sup>2</sup>                   |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 2,082,200                            | 466,690                     | 180,559                 | 263,251                  | 701,921                   | 194,504                     | 216,559                       | 31,942                         | 21,688                          | 2,281                            | 1,509                             | 572                               | 724                   |
| Total assets  | 4,720,938,670                        | 31,117,964                  | 17,259,181              | 26,275,630               | 131,558,645               | 116,279,265                 | 472,677,726                   | 232,567,434                    | 583,012,191                     | 290,083,733                      | 448,367,427                       | 343,185,960                       | 2,028,553,514         |
| Notes and accounts receivable, net                      | 1,137,279,634                        | 3,285,644                   | 1,932,168               | 3,183,173                | 24,937,549                | 33,174,939                  | 142,405,698                   | 52,699,550                     | 120,829,928                     | 67,642,197                       | 118,571,526                       | 87,230,745                        | 481,386,517           |
| Inventories   | 350,644,363                          | 1,022,372                   | 635,256                 | 1,433,941                | 13,886,399                | 12,583,503                  | 46,049,670                    | 22,375,701                     | 43,096,671                      | 16,084,149                       | 23,722,919                        | 21,686,730                        | 148,067,052           |
| Cash, Government obligations, and other current assets  | 834,024,747                          | 4,976,163                   | 2,944,209               | 4,251,567                | 25,031,776                | 26,529,444                  | 105,397,850                   | 44,289,012                     | 108,078,085                     | 59,588,038                       | 95,033,187                        | 68,231,684                        | 289,673,732           |
| Other investments and loans <sup>3</sup>                | 1,309,774,602                        | 6,404,537                   | 2,867,084               | 3,885,387                | 16,632,987                | 15,138,025                  | 108,432,635                   | 82,992,279                     | 236,474,544                     | 109,182,745                      | 134,101,260                       | 94,458,161                        | 499,204,958           |
| Depreciable assets                                      | 1,382,572,361                        | 10,206,682                  | 8,808,453               | 14,527,204               | 64,025,755                | 38,041,679                  | 95,249,213                    | 40,537,184                     | 92,182,715                      | 46,239,362                       | 92,217,331                        | 86,334,346                        | 794,202,437           |
| Less: Accumulated depreciation                          | 519,177,941                          | 3,680,584                   | 3,535,787               | 5,945,283                | 28,041,115                | 16,768,462                  | 42,461,639                    | 17,885,155                     | 37,195,660                      | 17,824,473                       | 31,745,982                        | 29,058,549                        | 285,035,252           |
| Other capital assets less reserves <sup>4</sup>         | 105,714,480                          | 6,085,713                   | 2,959,304               | 3,896,952                | 10,860,296                | 4,794,880                   | 10,549,022                    | 4,578,450                      | 10,005,051                      | 3,966,279                        | 6,148,748                         | 5,098,018                         | 36,771,767            |
| Accounts and notes payable <sup>5</sup>                 | 578,552,685                          | 6,182,506                   | 2,779,187               | 4,857,648                | 27,669,067                | 20,927,165                  | 75,527,692                    | 32,934,405                     | 71,269,178                      | 26,430,228                       | 42,893,849                        | 32,037,859                        | 235,043,901           |
| Other current liabilities                               | 1,791,237,114                        | 1,517,060                   | 757,987                 | 1,494,614                | 21,159,113                | 41,313,460                  | 233,459,847                   | 120,705,513                    | 306,599,349                     | 159,547,502                      | 211,691,271                       | 153,893,407                       | 539,097,991           |
| Mortgages, notes, and bonds payable in one year or more | 638,277,006                          | 9,978,762                   | 5,160,419               | 7,624,577                | 31,045,912                | 17,923,819                  | 45,039,470                    | 19,877,961                     | 47,841,258                      | 23,477,275                       | 50,829,336                        | 39,889,692                        | 339,588,525           |
| Net worth   | 1,207,317,461                        | 6,799,174                   | 5,961,351               | 8,628,233                | 39,426,512                | 29,279,180                  | 99,155,078                    | 48,928,613                     | 123,938,408                     | 59,720,693                       | 99,047,840                        | 81,215,484                        | 605,216,895           |
| Cost of property used for investment credit             | 138,146,411                          | 796,577                     | 449,861                 | 889,351                  | 5,512,456                 | 3,753,945                   | 9,664,784                     | 3,763,766                      | 8,698,340                       | 4,346,062                        | 9,172,744                         | 9,895,437                         | 81,203,088            |
| Total receipts  | 3,635,471,982                        | 5,014,586                   | 7,067,778               | 20,080,661               | 171,904,800               | 140,728,100                 | 467,417,144                   | 225,300,433                    | 427,397,445                     | 162,373,741                      | 238,891,822                       | 204,483,075                       | 1,564,812,397         |
| Business receipts                                       | 3,370,399,288                        | 2,399,693                   | 5,170,389               | 17,224,178               | 162,190,688               | 133,612,156                 | 438,422,363                   | 210,528,954                    | 389,956,089                     | 143,628,317                      | 213,514,480                       | 186,221,918                       | 1,467,530,063         |
| Cost of sales and operations                            | 2,416,628,161                        | 1,038,995                   | 2,302,705               | 7,993,380                | 89,609,859                | 87,213,653                  | 323,306,552                   | 163,773,073                    | 298,726,186                     | 105,137,282                      | 151,402,958                       | 132,936,471                       | 1,053,187,047         |
| Taxes paid  | 92,983,860                           | 459,083                     | 491,094                 | 974,446                  | 5,756,852                 | 3,773,801                   | 9,711,588                     | 4,151,279                      | 8,242,468                       | 3,609,943                        | 6,338,291                         | 5,300,673                         | 44,174,342            |
| Interest paid   | 135,056,207                          | 718,078                     | 465,830                 | 782,781                  | 4,048,846                 | 3,554,078                   | 15,851,457                    | 8,289,529                      | 20,589,901                      | 10,276,004                       | 13,071,383                        | 9,661,483                         | 47,746,837            |
| Depreciation  | 93,761,989                           | 589,478                     | 507,561                 | 991,244                  | 5,214,136                 | 3,247,084                   | 8,130,454                     | 3,304,545                      | 7,030,388                       | 3,454,875                        | 6,110,773                         | 5,904,170                         | 49,277,281            |
| Pension, profit-sharing, stock bonus, and annuity plans | 31,354,998                           | 7,790                       | 14,243                  | 145,784                  | 1,847,393                 | 943,108                     | 2,451,837                     | 1,082,780                      | 2,112,471                       | 1,024,378                        | 1,772,353                         | 1,755,990                         | 18,196,871            |
| Employee benefit programs                               | 19,285,318                           | 16,751                      | 14,882                  | 60,885                   | 622,326                   | 494,521                     | 1,535,957                     | 699,233                        | 1,473,286                       | 743,622                          | 1,281,804                         | 1,228,920                         | 11,115,113            |
| Net income (less deficit)                               | 185,419,106                          | -1,422,725                  | 1,570                   | 185,570                  | 3,914,021                 | 3,838,448                   | 13,736,437                    | 7,140,316                      | 17,596,415                      | 7,769,429                        | 11,720,616                        | 10,715,022                        | 110,223,987           |
| Net income  | 210,406,400                          | 802,725                     | 773,945                 | 1,447,412                | 7,965,329                 | 5,821,583                   | 17,682,701                    | 8,732,550                      | 20,980,825                      | 8,787,422                        | 13,023,765                        | 11,301,970                        | 113,086,173           |
| Income subject to tax                                   | 183,471,529                          | 453,807                     | 494,448                 | 875,079                  | 5,087,885                 | 3,923,485                   | 13,082,662                    | 6,823,707                      | 16,546,072                      | 7,255,634                        | 11,193,224                        | 10,587,726                        | 107,147,800           |
| Income tax, total                                       | 83,291,815                           | 116,025                     | 112,751                 | 206,178                  | 1,255,581                 | 1,125,739                   | 4,916,811                     | 3,005,998                      | 7,732,142                       | 3,454,569                        | 5,313,578                         | 5,032,285                         | 51,020,158            |
| Additional tax for tax preferences                      | 192,933                              | 67                          | 20                      | 231                      | 2,151                     | 2,743                       | 13,859                        | 10,962                         | 27,469                          | 13,381                           | 17,636                            | 20,172                            | 84,242                |
| Foreign tax credit                                      | 23,578,926                           | 1,202                       | 13                      | 1,762                    | 8,697                     | 5,068                       | 30,582                        | 32,095                         | 316,386                         | 177,325                          | 404,031                           | 658,140                           | 21,943,625            |
| U.S. possessions tax credit                             | 703,429                              | 3,483                       | 277                     | 3                        | 1,201                     | 1,970                       | 44,533                        | 55,289                         | 256,804                         | 173,641                          | 121,315                           | 44,913                            | —                     |
| Investment credit                                       | 9,152,712                            | 6,210                       | 5,159                   | 17,105                   | 182,309                   | 157,870                     | 489,244                       | 220,468                        | 518,007                         | 275,604                          | 594,346                           | 600,105                           | 6,086,285             |
| Work incentive (WIN) credit                             | 9,352                                | (*)                         | (*)                     | —                        | 890                       | 455                         | 1,459                         | 608                            | 960                             | 263                              | 516                               | 396                               | 3,805                 |
| Distributions to stockholders except in own stock       | 54,644,375                           | 414,545                     | 194,536                 | 314,732                  | 1,441,576                 | 944,984                     | 3,002,351                     | 1,480,036                      | 4,301,203                       | 1,959,648                        | 3,643,198                         | 3,341,697                         | 33,605,869            |
| Agriculture, Forestry, and Fishing                      |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 60,289                               | 11,652                      | 7,519                   | 8,586                    | 23,706                    | 4,457                       | 3,513                         | 594                            | 247                             | 15                               | —                                 | —                                 | —                     |
| Total assets  | 23,803,530                           | 1,257,567                   | 1,097,997               | 1,683,089                | 6,917,382                 | 2,802,732                   | 4,163,324                     | 1,464,440                      | 2,234,205                       | 2,182,794                        | —                                 | —                                 | —                     |
| Notes and accounts receivable, net                      | 2,016,715                            | 48,180                      | 30,739                  | 78,142                   | 396,884                   | 189,014                     | 414,833                       | 191,673                        | 365,175                         | 302,075                          | —                                 | —                                 | —                     |
| Inventories   | 2,312,930                            | 67,529                      | 38,050                  | 88,863                   | 450,114                   | 258,821                     | 467,586                       | 250,526                        | 362,737                         | 328,704                          | —                                 | —                                 | —                     |
| Cash, Government obligations, and other current assets  | 2,198,235                            | 78,620                      | 114,174                 | 144,710                  | 603,529                   | 285,767                     | 497,004                       | 146,534                        | 178,767                         | 149,130                          | —                                 | —                                 | —                     |
| Other investments and loans <sup>3</sup>                | 2,391,939                            | 84,776                      | 72,883                  | 149,359                  | 563,595                   | 301,695                     | 370,295                       | 139,069                        | 342,642                         | 367,625                          | —                                 | —                                 | —                     |
| Depreciable assets                                      | 14,273,672                           | 486,022                     | 514,332                 | 816,160                  | 4,655,191                 | 1,891,201                   | 2,746,946                     | 847,100                        | 1,155,710                       | 1,161,010                        | —                                 | —                                 | —                     |
| Less: Accumulated depreciation                          | 6,309,242                            | 170,808                     | 225,152                 | 328,078                  | 2,049,648                 | 897,369                     | 1,259,331                     | 392,583                        | 493,349                         | 492,924                          | —                                 | —                                 | —                     |
| Other capital assets less reserves <sup>4</sup>         | 5,799,035                            | 614,372                     | 501,333                 | 647,928                  | 1,991,824                 | 698,017                     | 803,610                       | 238,323                        | 237,513                         | 66,115                           | —                                 | —                                 | —                     |
| Accounts and notes payable <sup>5</sup>                 | 5,599,353                            | 178,193                     | 123,885                 | 283,045                  | 1,460,530                 | 694,223                     | 1,339,604                     | 543,429                        | 683,792                         | 292,652                          | —                                 | —                                 | —                     |
| Other current liabilities                               | 967,477                              | 14,348                      | 16,897                  | 35,536                   | 150,924                   | 96,117                      | 245,322                       | 70,880                         | 122,802                         | 214,651                          | —                                 | —                                 | —                     |
| Mortgages, notes, and bonds payable in one year or more | 6,925,430                            | 333,415                     | 382,254                 | 512,239                  | 2,107,733                 | 882,949                     | 1,167,591                     | 439,460                        | 624,589                         | 475,200                          | —                                 | —                                 | —                     |
| Net worth   | 7,893,503                            | 427,400                     | 464,680                 | 678,275                  | 2,487,969                 | 868,396                     | 1,043,002                     | 328,558                        | 678,030                         | 917,193                          | —                                 | —                                 | —                     |
| Cost of property used for investment credit             | 1,638,461                            | 67,194                      | 57,003                  | 73,912                   | 582,911                   | 215,462                     | 317,954                       | 99,450                         | 151,168                         | 73,407                           | —                                 | —                                 | —                     |
| Total receipts  | 32,433,149                           | 169,776                     | 342,347                 | 725,863                  | 5,970,124                 | 3,392,967                   | 7,410,268                     | 4,169,828                      | 5,442,359                       | 4,809,617                        | —                                 | —                                 | —                     |
| Business receipts                                       | 30,818,836                           | 103,737                     | 272,869                 | 638,718                  | 5,543,524                 | 3,217,718                   | 7,147,778                     | 4,020,017                      | 5,282,776                       | 4,591,699                        | —                                 | —                                 | —                     |
| Cost of sales and operations                            | 22,831,591                           | 79,456                      | 138,845                 | 346,952                  | 3,148,410                 | 2,106,775                   | 5,339,044                     | 3,541,744                      | 4,560,338                       | 3,570,027                        | —                                 | —                                 | —                     |
| Taxes paid  | 728,808                              | 14,960                      | 18,905                  | 32,141                   | 203,966                   | 84,169                      | 153,456                       | 44,178                         | 65,569                          | 111,464                          | —                                 | —                                 | —                     |
| Interest paid   | 861,338                              | 25,519                      | 30,323                  | 51,043                   | 250,400                   | 113,885                     | 178,746                       | 62,765                         | 87,489                          | 61,168                           | —                                 | —                                 | —                     |
| Depreciation  | 1,220,019                            | 35,643                      | 42,214                  | 64,345                   | 430,878                   | 174,271                     | 240,624                       | 69,649                         | 89,556                          | 72,839                           | —                                 | —                                 | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans | 107,547                              | 21                          | 415                     | 2,362                    | 32,387                    | 11,600                      | 22,951                        | 6,781                          | 13,640                          | 17,390                           | —                                 | —                                 | —                     |
| Employee benefit programs                               | 57,783                               | 47                          | 353                     | 838                      | 11,501                    | 5,500                       | 9,302                         | 3,844                          | 9,386                           | 17,012                           | —                                 | —                                 | —                     |
| Net income (less deficit)                               | 640,291                              | -92,107                     | 3,285                   | -3,069                   | 180,556                   | 129,760                     | 138,805                       | 31,511                         | 78,562                          | 172,988                          | —                                 | —                                 | —                     |
| Net income  | 1,506,417                            | 37,136                      | 55,657                  | 81,963                   | 432,858                   | 213,928                     | 287,473                       | 87,485                         | 124,002                         | 185,915                          | —                                 | —                                 | —                     |
| Income subject to tax                                   | 1,015,900                            | 17,532                      | 24,800                  | 46,479                   | 259,515                   | 127,606                     | 191,619                       | 73,913                         | 96,666                          | 177,770                          | —                                 | —                                 | —                     |
| Income tax, total                                       | 353,451                              | 4,515                       | 5,592                   | 10,242                   | 63,683                    | 40,140                      | 71,332                        | 31,455                         | 44,149                          | 82,343                           | —                                 | —                                 | —                     |
| Additional tax for tax preferences                      | 595                                  | 12                          | —                       | —                        | 187                       |                             |                               |                                |                                 |                                  |                                   |                                   |                       |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Industrial division, item                               | Total returns of active corporations | Size of business receipts   |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
|---|--------------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Under \$25,000 <sup>1</sup> | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 under \$500,000,000 | \$500,000,000 or more |
|   | (1)                                  | (2)                         | (3)                     | (4)                      | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                             | (11)                              | (12)                              | (13)                  |
| <b>Mining</b>   |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 15,606                               | 4,434                       | 685                     | 1,647                    | 3,966                     | 1,998                       | 2,123                         | 348                            | 310                             | 41                               |                                   | 54                                |                       |
| Total assets  | 76,701,653                           | 1,102,095                   | 176,943                 | 231,467                  | 1,686,415                 | 1,507,465                   | 5,405,816                     | 2,410,282                      | 9,627,399                       | 4,188,781                        |                                   | 50,364,970                        |                       |
| Notes and accounts receivable, net                      | 16,130,428                           | 71,373                      | 15,416                  | 26,700                   | 255,866                   | 241,078                     | 837,655                       | 450,384                        | 1,373,051                       | 480,403                          |                                   | 12,378,502                        |                       |
| Inventories   | 3,864,203                            | 5,723                       | 1,292                   | 16,431                   | 64,539                    | 66,364                      | 167,838                       | 134,548                        | 361,679                         | 268,667                          |                                   | 2,777,122                         |                       |
| Cash, Government obligations, and other current assets  | 6,600,549                            | 80,867                      | 17,704                  | 55,745                   | 285,011                   | 232,229                     | 841,250                       | 327,128                        | 985,224                         | 312,830                          |                                   | 3,462,761                         |                       |
| Other investments and loans <sup>2</sup>                | 16,468,232                           | 453,680                     | 81,863                  | 38,673                   | 212,550                   | 133,498                     | 663,991                       | 202,213                        | 1,525,724                       | 521,768                          |                                   | 12,614,272                        |                       |
| Depreciable assets                                      | 38,389,891                           | 176,580                     | 37,398                  | 77,960                   | 1,079,850                 | 1,039,052                   | 3,433,361                     | 1,691,413                      | 5,779,075                       | 3,136,080                        |                                   | 21,939,122                        |                       |
| Less: Accumulated depreciation                          | 13,948,006                           | 52,692                      | 14,854                  | 42,456                   | 494,620                   | 474,212                     | 1,473,438                     | 839,745                        | 2,197,098                       | 1,230,263                        |                                   | 7,128,628                         |                       |
| Other capital assets less reserves <sup>3</sup>         | 7,175,287                            | 311,790                     | 18,575                  | 36,613                   | 246,576                   | 214,425                     | 765,937                       | 385,617                        | 1,432,246                       | 588,553                          |                                   | 3,174,955                         |                       |
| Accounts and notes payable <sup>4</sup>                 | 9,949,259                            | 179,432                     | 47,701                  | 47,971                   | 503,205                   | 321,475                     | 1,192,097                     | 531,688                        | 1,545,863                       | 520,899                          |                                   | 5,058,928                         |                       |
| Other current liabilities                               | 11,627,807                           | 38,886                      | 2,624                   | 21,787                   | 73,275                    | 99,495                      | 404,540                       | 176,163                        | 647,946                         | 323,138                          |                                   | 9,839,953                         |                       |
| Mortgages, notes, and bonds payable in one year or more | 12,299,490                           | 547,476                     | 23,665                  | 58,303                   | 326,756                   | 264,978                     | 1,279,778                     | 410,864                        | 1,736,026                       | 809,012                          |                                   | 6,842,632                         |                       |
| Net worth   | 37,958,193                           | —126,368                    | 72,106                  | 43,132                   | 569,178                   | 708,150                     | 2,146,910                     | 1,122,089                      | 4,668,115                       | 2,242,528                        |                                   | 26,512,353                        |                       |
| Cost of property used for investment credit             | 4,241,402                            | 51,449                      | 7,326                   | 5,610                    | 209,131                   | 194,564                     | 530,393                       | 227,023                        | 874,027                         | 296,479                          |                                   | 1,845,400                         |                       |
| Total receipts  | 84,329,009                           | 105,370                     | 41,901                  | 165,634                  | 1,162,236                 | 1,501,702                   | 4,767,421                     | 2,610,327                      | 7,203,171                       | 3,113,917                        |                                   | 63,657,330                        |                       |
| Business receipts                                       | 81,581,326                           | 102,722                     | 25,303                  | 118,359                  | 1,039,452                 | 1,415,505                   | 4,432,968                     | 2,474,760                      | 6,421,543                       | 2,997,065                        |                                   | 62,633,649                        |                       |
| Cost of sales and operations                            | 39,110,630                           | 11,416                      | 10,946                  | 74,545                   | 575,141                   | 768,959                     | 2,695,982                     | 1,508,385                      | 4,044,729                       | 1,768,398                        |                                   | 27,652,129                        |                       |
| Taxes paid  | 1,385,296                            | 4,809                       | 2,106                   | 6,279                    | 44,334                    | 51,974                      | 148,635                       | 77,838                         | 200,110                         | 100,378                          |                                   | 748,833                           |                       |
| Interest paid   | 1,234,840                            | 32,872                      | 3,307                   | 4,786                    | 48,157                    | 31,351                      | 122,400                       | 57,525                         | 211,217                         | 60,080                           |                                   | 663,145                           |                       |
| Depreciation  | 2,548,922                            | 9,680                       | 2,909                   | 9,078                    | 102,349                   | 112,366                     | 340,105                       | 176,544                        | 415,805                         | 200,695                          |                                   | 1,179,391                         |                       |
| Pension, profit-sharing, stock bonus, and annuity plans | 335,430                              | *248                        | *216                    | *136                     | 2,159                     | 4,678                       | 24,800                        | 14,919                         | 38,440                          | 32,173                           |                                   | 217,661                           |                       |
| Employee benefit programs                               | 276,810                              | 2,696                       | *196                    | *71                      | 3,019                     | 4,405                       | 18,158                        | 10,739                         | 46,095                          | 32,436                           |                                   | 158,995                           |                       |
| Net income (less deficit)                               | 30,024,706                           | —127,658                    | —16,873                 | —35,514                  | —45,174                   | 59,089                      | 253,966                       | 173,372                        | 856,928                         | 324,418                          |                                   | 28,582,152                        |                       |
| Net income  | 30,955,113                           | 24,380                      | *7,539                  | 7,602                    | 109,466                   | 132,214                     | 415,091                       | 213,312                        | 993,178                         | 363,419                          |                                   | 28,688,912                        |                       |
| Income subject to tax                                   | 30,389,014                           | 9,899                       | *3,906                  | 6,392                    | 67,208                    | 86,809                      | 313,476                       | 149,954                        | 913,087                         | 327,120                          |                                   | 28,511,163                        |                       |
| Income tax, total                                       | 14,549,609                           | 3,527                       | *825                    | 1,581                    | 21,891                    | 29,419                      | 139,732                       | 71,364                         | 430,988                         | 161,543                          |                                   | 13,888,739                        |                       |
| Additional tax for tax preferences                      | 54,405                               | —                           | *12                     | *41                      | 841                       | 872                         | 5,285                         | 3,599                          | 7,989                           | 5,439                            |                                   | 30,327                            |                       |
| Foreign tax credit                                      | 13,348,618                           | —                           | —                       | —                        | *4,885                    | —                           | 7,345                         | 5,488                          | 165,286                         | *42,093                          |                                   | 13,123,521                        |                       |
| U.S. possessions tax credit                             | —                                    | —                           | —                       | —                        | —                         | —                           | —                             | —                              | —                               | —                                |                                   | —                                 |                       |
| Investment credit                                       | 215,251                              | *72                         | *204                    | *119                     | 3,963                     | 5,896                       | 24,366                        | 11,946                         | 32,438                          | 19,630                           |                                   | 116,617                           |                       |
| Work incentive (WIN) credit                             | *41                                  | —                           | —                       | —                        | —                         | —                           | —                             | —                              | *10                             | —                                |                                   | *31                               |                       |
| Distributions to stockholders except in own stock       | 4,088,323                            | *9,783                      | *7                      | *1,000                   | 22,334                    | 24,125                      | 126,251                       | 43,381                         | 142,361                         | 106,855                          |                                   | 3,612,226                         |                       |
| <b>Construction</b>                                     |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 195,933                              | 25,556                      | 16,067                  | 25,458                   | 76,102                    | 26,081                      | 22,811                        | 2,498                          | 1,219                           | 81                               | 38                                | 10                                | 12                    |
| Total assets  | 80,759,509                           | 1,889,136                   | 674,600                 | 1,136,973                | 9,213,703                 | 8,387,848                   | 22,198,339                    | 8,654,106                      | 12,734,263                      | 2,822,136                        | 3,906,233                         | 3,156,698                         | 5,985,474             |
| Notes and accounts receivable, net                      | 21,074,002                           | 327,573                     | 101,269                 | 180,467                  | 1,997,520                 | 2,055,060                   | 6,152,271                     | 2,582,423                      | 3,655,163                       | 821,591                          | 1,133,154                         | 633,540                           | 1,433,971             |
| Inventories   | 13,630,508                           | 242,945                     | 118,207                 | 181,283                  | 1,772,106                 | 1,684,797                   | 4,523,683                     | 1,719,147                      | 2,072,358                       | 319,568                          | 270,999                           | *305,135                          | 420,280               |
| Cash, Government obligations, and other current assets  | 16,827,889                           | 397,615                     | 158,530                 | 223,186                  | 1,770,934                 | 1,599,447                   | 4,739,585                     | 1,946,260                      | 2,759,748                       | 601,600                          | 804,654                           | 517,418                           | 1,308,912             |
| Other investments and loans <sup>2</sup>                | 7,700,412                            | 431,042                     | 80,095                  | 109,064                  | 635,904                   | 562,974                     | 1,509,608                     | 615,487                        | 1,066,440                       | 369,397                          | 703,139                           | 960,339                           | 656,923               |
| Depreciable assets                                      | 30,068,672                           | 361,095                     | 307,866                 | 557,268                  | 4,293,509                 | 3,072,638                   | 7,868,585                     | 2,994,268                      | 4,668,274                       | 1,037,977                        | 1,268,621                         | 876,852                           | 2,761,719             |
| Less: Accumulated depreciation                          | 15,079,441                           | 185,626                     | 158,054                 | 262,435                  | 2,127,340                 | 1,545,728                   | 4,177,982                     | 1,698,666                      | 2,421,797                       | 583,627                          | 594,400                           | 372,731                           | 951,053               |
| Other capital assets less reserves <sup>3</sup>         | 3,850,076                            | 222,903                     | 45,551                  | 109,395                  | 566,651                   | 417,080                     | 947,532                       | 299,098                        | 511,764                         | 151,707                          | 254,860                           | *159,222                          | 164,313               |
| Accounts and notes payable <sup>4</sup>                 | 26,975,904                           | 845,113                     | 221,165                 | 398,276                  | 3,393,842                 | 3,079,543                   | 8,475,928                     | 2,995,808                      | 3,944,621                       | 804,732                          | 1,040,886                         | 531,282                           | 1,244,708             |
| Other current liabilities                               | 10,757,618                           | 189,060                     | 60,780                  | 110,368                  | 877,415                   | 796,796                     | 2,763,927                     | 1,165,649                      | 1,981,762                       | 454,724                          | 663,266                           | 419,101                           | 1,274,770             |
| Mortgages, notes, and bonds payable in one year or more | 12,723,657                           | 347,615                     | 123,320                 | 216,942                  | 1,730,134                 | 1,334,012                   | 3,286,676                     | 1,051,961                      | 2,081,104                       | 386,949                          | 630,175                           | 592,032                           | 942,737               |
| Net worth   | 20,520,616                           | —25,904                     | 95,829                  | 190,935                  | 1,975,692                 | 2,100,752                   | 5,199,426                     | 2,174,091                      | 3,165,367                       | 958,443                          | 1,196,318                         | 1,501,478                         | 1,988,189             |
| Cost of property used for investment credit             | 3,534,227                            | 49,384                      | 36,004                  | 76,422                   | 543,550                   | 426,530                     | 919,643                       | 326,870                        | 458,027                         | 90,342                           | 100,599                           | 173,659                           | 333,377               |
| Total receipts  | 154,096,876                          | 380,084                     | 624,566                 | 1,904,784                | 19,002,188                | 18,455,002                  | 46,196,647                    | 17,489,529                     | 23,535,347                      | 5,640,999                        | 5,778,203                         | 3,752,285                         | 11,337,242            |
| Business receipts                                       | 150,059,702                          | 389,353                     | 589,931                 | 1,834,728                | 18,610,173                | 18,170,682                  | 45,292,453                    | 17,102,313                     | 22,856,275                      | 5,479,371                        | 5,517,562                         | 3,491,015                         | 10,916,846            |
| Cost of sales and operations                            | 121,668,205                          | 125,930                     | 369,963                 | 1,184,756                | 13,335,172                | 13,842,529                  | 36,633,099                    | 14,446,239                     | 19,857,749                      | 4,818,050                        | 4,789,323                         | 3,011,754                         | 9,253,641             |
| Taxes paid  | 3,237,776                            | 23,767                      | 27,301                  | 70,493                   | 577,182                   | 474,184                     | 1,002,934                     | 329,877                        | 388,437                         | 72,030                           | 94,593                            | 44,825                            | 132,153               |
| Interest paid   | 1,867,121                            | 27,170                      | 13,735                  | 28,080                   | 296,304                   | 225,725                     | 513,911                       | 156,759                        | 266,221                         | 48,851                           | 89,766                            | 64,424                            | 136,175               |
| Depreciation  | 2,867,241                            | 28,374                      | 28,755                  | 63,395                   | 455,625                   | 333,614                     | 788,707                       | 271,733                        | 402,392                         | 85,811                           | 93,109                            | 74,619                            | 241,107               |
| Pension, profit-sharing, stock bonus, and annuity plans | 786,672                              | 1,054                       | *52                     | 5,249                    | 59,616                    | 82,221                      | 257,212                       | 100,558                        | 111,704                         | 20,120                           | 36,360                            | *26,707                           | 85,809                |
| Employee benefit programs                               | 592,382                              | 1,227                       | 2,573                   | 5,149                    | 70,424                    | 85,522                      | 194,111                       | 80,330                         | 62,017                          | 10,033                           | 14,083                            | *25,506                           | 41,407                |
| Net income (less deficit)                               | 2,826,234                            | —76,841                     | —29,346                 | —44,659                  | 69,006                    | 223,863                     | 751,603                       | 442,597                        | 566,669                         | 165,936                          | 170,526                           | 147,838                           | 439,042               |
| Net income  | 5,025,829                            | 54,962                      | 42,325                  | 69,012                   | 645,803                   | 559,274                     | 1,308,850                     | 558,004                        | 773,760                         | 196,610                          | 193,467                           | *184,720                          | 439,042               |
| Income subject to tax                                   | 3,899,237                            | 35,365                      | 15,638                  | 31,302                   | 352,748                   | 392,861                     | 1,010,476                     | 470,163                        | 652,986                         | 176,946                          | 185,034                           | *137,737                          | 437,981               |
| Income tax, total                                       | 1,511,654                            | 14,158                      | 3,852                   | 6,199                    | 81,587                    | 101,443                     | 354,140                       | 202,995                        | 302,556                         | 83,213                           | 88,748                            | 65,395                            | 207,368               |
| Additional tax for tax preferences                      | 1,866                                | *32                         | —                       | —                        | *7                        | *28                         | 294                           | 193                            | 485                             | *125                             | *379                              | *323                              | —                     |
| Foreign tax credit                                      | 97,577                               | *24                         | —                       | —                        | *204                      | *28                         | *28                           | *26                            | 9,062                           | *1,809                           | *6,810                            | *14,677                           | *64,937               |
| U.S. possessions tax credit                             | 1,143                                | —                           | 1                       | —                        | —                         | 34                          | —                             | —                              | 1,108                           | —                                | —                                 | —                                 | —                     |
| Investment credit                                       | 170,803                              | 902                         | 390                     | 1,182                    | 13,376                    | 18,997                      | 44,331                        | 20,464                         | 26,987                          | 6,578                            | 7,299                             | *3,174                            | 27,123                |
| Work incentive (WIN) credit                             | 148                                  | —                           | —                       | —                        | —                         | —                           | *72                           | *51                            | 20                              | —                                | *1                                | *1                                | *3                    |
| Distributions to stockholders except in own stock       | 514,107                              | *5,712                      | 8,604                   | 15,435                   | 88,712                    | 51,761                      | 91,392                        | 25,829                         | 67,085                          | 12,331                           | 29,001                            | *32,438                           | 85,807                |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Industrial division, item                               | Total returns of active corporations | Size of business receipts   |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
|---|--------------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Under \$25,000 <sup>a</sup> | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 under \$500,000,000 | \$500,000,000 or more |
|   | (1)                                  | (2)                         | (3)                     | (4)                      | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                             | (11)                              | (12)                              | (13)                  |
| Manufacturing   |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 212,333                              | 23,045                      | 10,728                  | 18,209                   | 72,677                    | 29,896                      | 42,084                        | 7,370                          | 6,331                           | 824                              | 572                               | 242                               | 355                   |
| Total assets  | 1,034,602,790                        | 918,377                     | 445,580                 | 898,327                  | 9,338,246                 | 10,155,096                  | 43,645,675                    | 25,687,919                     | 71,988,816                      | 37,093,697                       | 65,001,545                        | 61,412,880                        | 708,016,632           |
| Notes and accounts receivable, net                      | 225,309,352                          | 94,987                      | 65,803                  | 166,520                  | 2,102,559                 | 2,425,767                   | 10,993,811                    | 6,198,132                      | 16,186,041                      | 7,415,727                        | 12,912,992                        | 11,963,972                        | 154,781,041           |
| Inventories   | 187,915,521                          | 161,492                     | 82,391                  | 145,253                  | 1,622,602                 | 2,104,577                   | 11,357,901                    | 7,228,236                      | 19,256,920                      | 8,965,381                        | 14,273,968                        | 13,990,178                        | 108,726,622           |
| Cash, Government obligations, and other current assets  | 102,217,680                          | 185,509                     | 56,238                  | 175,217                  | 1,657,285                 | 1,606,425                   | 5,886,293                     | 3,244,606                      | 8,212,330                       | 4,441,589                        | 6,524,985                         | 5,819,315                         | 64,407,888            |
| Other investments and loans <sup>b</sup>                | 164,335,229                          | 145,937                     | 19,857                  | 60,496                   | 523,553                   | 562,835                     | 2,445,218                     | 1,699,512                      | 6,742,740                       | 4,369,153                        | 8,854,809                         | 9,563,342                         | 129,347,977           |
| Depreciable assets                                      | 541,268,524                          | 306,227                     | 227,301                 | 524,996                  | 5,756,889                 | 6,184,791                   | 23,035,098                    | 12,375,528                     | 33,867,983                      | 18,056,621                       | 32,614,472                        | 30,256,443                        | 378,062,175           |
| Less: Accumulated depreciation                          | 257,587,902                          | 91,813                      | 70,363                  | 242,521                  | 2,926,490                 | 3,271,409                   | 12,118,334                    | 6,300,756                      | 16,125,819                      | 8,504,719                        | 15,008,729                        | 14,144,245                        | 178,782,704           |
| Other capital assets less reserves <sup>c</sup>         | 37,660,892                           | 69,303                      | 23,832                  | 29,544                   | 313,064                   | 298,561                     | 1,247,296                     | 689,706                        | 2,112,809                       | 1,136,225                        | 2,057,480                         | 1,970,363                         | 27,712,709            |
| Accounts and notes payable <sup>d</sup>                 | 198,498,682                          | 237,816                     | 153,366                 | 246,329                  | 2,608,257                 | 2,740,585                   | 12,179,846                    | 6,608,616                      | 15,888,328                      | 6,274,102                        | 9,628,548                         | 8,978,383                         | 132,954,506           |
| Other current liabilities                               | 99,229,377                           | 124,791                     | 21,400                  | 58,055                   | 797,683                   | 852,164                     | 4,077,648                     | 2,367,791                      | 6,710,021                       | 3,711,223                        | 7,061,060                         | 6,884,126                         | 66,563,415            |
| Mortgages, notes, and bonds payable in one year or more | 193,442,808                          | 229,244                     | 104,856                 | 194,623                  | 1,840,694                 | 1,650,415                   | 6,319,238                     | 3,396,888                      | 10,984,168                      | 6,334,923                        | 13,075,870                        | 12,035,386                        | 137,276,503           |
| Net worth   | 478,748,780                          | 98,989                      | 69,578                  | 204,536                  | 3,058,694                 | 4,220,829                   | 19,274,167                    | 12,408,124                     | 35,876,320                      | 19,636,471                       | 32,894,707                        | 31,212,042                        | 319,794,323           |
| Cost of property used for investment credit             | 59,835,381                           | 48,391                      | 66,567                  | 67,621                   | 661,146                   | 649,799                     | 2,523,632                     | 1,141,850                      | 3,094,314                       | 1,735,804                        | 3,078,226                         | 2,618,609                         | 44,149,422            |
| Total receipts  | 1,462,652,852                        | 242,127                     | 444,560                 | 1,429,651                | 18,991,167                | 21,866,325                  | 93,766,557                    | 52,738,699                     | 130,799,295                     | 58,917,508                       | 92,244,899                        | 87,017,766                        | 904,194,298           |
| Business receipts                                       | 1,414,454,531                        | 160,510                     | 401,665                 | 1,370,718                | 18,657,905                | 21,549,909                  | 92,378,586                    | 51,961,270                     | 128,245,601                     | 57,507,516                       | 89,720,377                        | 84,141,184                        | 868,359,290           |
| Cost of sales and operations                            | 1,035,840,144                        | 117,666                     | 243,015                 | 834,906                  | 12,177,126                | 14,764,729                  | 66,485,152                    | 38,578,866                     | 95,386,840                      | 41,858,201                       | 63,868,480                        | 59,527,922                        | 641,997,241           |
| Taxes paid  | 39,228,691                           | 13,479                      | 15,590                  | 55,568                   | 650,278                   | 680,391                     | 2,437,309                     | 1,274,589                      | 2,894,888                       | 1,387,740                        | 2,534,161                         | 2,492,015                         | 24,792,683            |
| Interest paid   | 21,985,032                           | 15,568                      | 10,901                  | 17,695                   | 245,922                   | 249,625                     | 1,023,209                     | 536,468                        | 1,551,275                       | 750,557                          | 1,411,976                         | 1,367,060                         | 14,804,776            |
| Depreciation  | 37,774,304                           | 18,971                      | 24,728                  | 47,913                   | 539,008                   | 542,567                     | 1,893,406                     | 954,510                        | 2,574,736                       | 1,384,534                        | 2,311,890                         | 2,215,489                         | 25,266,452            |
| Pension, profit-sharing, stock bonus, and annuity plans | 16,580,790                           | 468                         | 739                     | 1,701                    | 70,399                    | 122,608                     | 623,278                       | 352,060                        | 884,349                         | 472,537                          | 869,752                           | 992,518                           | 12,190,381            |
| Employee benefit programs                               | 11,641,803                           | 1,571                       | 1,221                   | 3,694                    | 109,699                   | 111,719                     | 485,053                       | 270,808                        | 678,753                         | 366,803                          | 704,561                           | 811,861                           | 8,096,060             |
| Net income (less deficit)                               | 89,272,357                           | -117,154                    | -54,785                 | -63,481                  | 239,297                   | 589,257                     | 3,726,816                     | 2,503,301                      | 7,406,272                       | 3,914,777                        | 5,593,975                         | 5,602,268                         | 59,931,814            |
| Net income  | 94,990,863                           | 45,225                      | 35,537                  | 47,930                   | 800,675                   | 952,466                     | 4,623,633                     | 2,958,038                      | 8,303,772                       | 4,147,310                        | 6,049,870                         | 5,853,042                         | 61,173,365            |
| Income subject to tax                                   | 88,825,102                           | 24,998                      | 11,394                  | 21,145                   | 544,729                   | 722,136                     | 3,874,067                     | 2,674,121                      | 7,822,712                       | 3,917,556                        | 5,845,842                         | 5,695,275                         | 57,671,127            |
| Income tax, total                                       | 41,452,853                           | 8,712                       | 4,474                   | 5,211                    | 129,273                   | 205,868                     | 1,542,174                     | 1,215,517                      | 3,683,215                       | 1,863,841                        | 2,776,205                         | 2,698,807                         | 27,319,556            |
| Additional tax for tax preferences                      | 72,843                               | -                           | -                       | -                        | 24                        | 7                           | 578                           | 108                            | 396                             | 1,284                            | 3,483                             | 2,869                             | 64,094                |
| Foreign tax credit                                      | 8,388,111                            | -                           | -                       | 1,100                    | 3,300                     | 554                         | 4,010                         | 73,098                         | 83,189                          | 203,164                          | 283,918                           | 7,729,623                         | -                     |
| U.S. possessions tax credit                             | 662,947                              | 3,483                       | 4                       | 1                        | 525                       | 1,640                       | 39,301                        | 54,392                         | 247,519                         | 171,483                          | 99,686                            | 44,913                            | -                     |
| Investment credit                                       | 4,150,832                            | 400                         | 696                     | 964                      | 25,795                    | 36,697                      | 155,620                       | 75,190                         | 212,654                         | 118,904                          | 203,034                           | 216,841                           | 3,104,037             |
| Work incentive (WIN) credit                             | 6,744                                | -                           | (1)                     | -                        | 269                       | 284                         | 1,028                         | 232                            | 697                             | 193                              | 365                               | 260                               | 3,416                 |
| Distributions to stockholders except in own stock       | 22,884,452                           | 17,734                      | 6,158                   | 6,988                    | 68,605                    | 101,768                     | 436,935                       | 233,768                        | 877,284                         | 501,176                          | 1,068,546                         | 1,229,307                         | 18,336,183            |
| Transportation and Public Utilities                     |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 81,373                               | 17,689                      | 7,398                   | 10,759                   | 28,227                    | 7,944                       | 7,316                         | 950                            | 683                             | 121                              | 127                               | 52                                | 107                   |
| Total assets  | 486,241,965                          | 2,281,790                   | 716,013                 | 841,605                  | 5,280,323                 | 3,883,832                   | 9,588,822                     | 4,029,383                      | 14,420,914                      | 10,770,638                       | 36,614,893                        | 38,741,190                        | 359,072,562           |
| Notes and accounts receivable, net                      | 32,368,370                           | 129,452                     | 69,790                  | 130,961                  | 754,817                   | 547,028                     | 1,597,047                     | 639,168                        | 1,807,587                       | 1,019,195                        | 2,410,128                         | 2,328,993                         | 20,934,204            |
| Inventories   | 15,265,600                           | 9,222                       | 6,899                   | 12,339                   | 92,101                    | 50,059                      | 224,183                       | 91,937                         | 335,322                         | 284,737                          | 1,159,531                         | 1,094,068                         | 11,905,202            |
| Cash, Government obligations, and other current assets  | 29,304,469                           | 124,050                     | 77,220                  | 132,798                  | 728,694                   | 528,065                     | 1,249,570                     | 549,714                        | 1,598,881                       | 821,157                          | 2,039,234                         | 1,869,147                         | 19,585,939            |
| Other investments and loans <sup>b</sup>                | 37,268,743                           | 119,486                     | 36,662                  | 33,440                   | 321,744                   | 265,110                     | 687,853                       | 240,012                        | 1,625,470                       | 769,539                          | 2,003,981                         | 3,227,745                         | 27,937,701            |
| Depreciable assets                                      | 471,540,941                          | 874,687                     | 626,672                 | 806,684                  | 5,212,591                 | 3,663,369                   | 8,699,732                     | 3,599,357                      | 12,052,597                      | 9,817,242                        | 36,351,434                        | 37,006,752                        | 352,829,824           |
| Less: Accumulated depreciation                          | 119,539,506                          | 280,715                     | 201,448                 | 346,021                  | 2,347,477                 | 1,505,467                   | 3,755,768                     | 1,511,700                      | 4,331,650                       | 2,797,794                        | 8,952,372                         | 8,571,202                         | 84,937,892            |
| Other capital assets less reserves <sup>c</sup>         | 6,831,196                            | 36,817                      | 17,581                  | 32,284                   | 228,643                   | 132,297                     | 419,647                       | 200,649                        | 481,861                         | 239,960                          | 892,840                           | 736,397                           | 3,412,220             |
| Accounts and notes payable <sup>d</sup>                 | 40,557,176                           | 332,968                     | 114,376                 | 221,685                  | 1,105,229                 | 789,224                     | 2,423,364                     | 800,455                        | 1,951,338                       | 1,256,898                        | 2,688,943                         | 3,775,824                         | 25,097,072            |
| Other current liabilities                               | 44,539,257                           | 77,925                      | 34,455                  | 29,463                   | 277,392                   | 235,458                     | 753,464                       | 330,778                        | 1,834,050                       | 1,125,717                        | 3,046,450                         | 2,638,594                         | 34,155,511            |
| Mortgages, notes, and bonds payable in one year or more | 179,360,163                          | 1,371,143                   | 291,814                 | 204,917                  | 1,721,246                 | 1,457,351                   | 2,978,749                     | 1,230,996                      | 4,816,327                       | 4,041,115                        | 13,634,069                        | 15,395,443                        | 132,216,993           |
| Net worth   | 195,941,447                          | 167,203                     | 167,362                 | 251,735                  | 1,611,781                 | 1,154,213                   | 2,946,083                     | 1,415,614                      | 5,116,863                       | 3,751,844                        | 15,025,072                        | 15,051,039                        | 149,262,638           |
| Cost of property used for investment credit             | 44,450,216                           | 114,216                     | 46,723                  | 79,038                   | 624,650                   | 532,708                     | 997,299                       | 323,473                        | 1,110,491                       | 936,611                          | 3,869,858                         | 4,632,629                         | 31,182,520            |
| Total receipts  | 282,758,334                          | 241,839                     | 309,467                 | 805,940                  | 6,898,787                 | 5,713,979                   | 15,443,198                    | 6,588,896                      | 14,560,621                      | 8,828,597                        | 21,091,327                        | 18,779,978                        | 183,495,705           |
| Business receipts                                       | 273,044,567                          | 237,069                     | 273,505                 | 773,467                  | 6,723,314                 | 5,585,411                   | 15,053,457                    | 6,457,594                      | 14,098,342                      | 8,539,770                        | 20,636,350                        | 17,926,790                        | 177,199,498           |
| Cost of sales and operations                            | 168,957,540                          | 59,542                      | 132,621                 | 363,155                  | 3,609,319                 | 3,487,541                   | 9,897,659                     | 4,554,242                      | 9,314,131                       | 5,503,344                        | 12,964,809                        | 11,522,749                        | 107,548,428           |
| Taxes paid  | 17,368,233                           | 29,262                      | 18,731                  | 35,468                   | 320,593                   | 232,574                     | 623,849                       | 224,233                        | 651,680                         | 453,433                          | 1,235,136                         | 1,076,693                         | 12,466,581            |
| Interest paid   | 14,514,247                           | 91,982                      | 13,311                  | 179,710                  | 113,441                   | 113,441                     | 338,436                       | 125,594                        | 481,045                         | 357,616                          | 1,092,456                         | 1,204,493                         | 10,495,025            |
| Depreciation  | 24,936,217                           | 43,215                      | 27,819                  | 66,785                   | 480,204                   | 297,401                     | 723,881                       | 261,147                        | 776,814                         | 585,142                          | 1,735,841                         | 1,647,407                         | 18,290,561            |
| Pension, profit-sharing, stock bonus, and annuity plans | 4,819,738                            | 90                          | 712                     | 589                      | 26,802                    | 29,468                      | 121,642                       | 53,636                         | 164,157                         | 101,335                          | 257,375                           | 220,489                           | 3,843,443             |
| Employee benefit programs                               | 2,465,697                            | 547                         | 1,028                   | 985                      | 34,876                    | 30,206                      | 116,124                       | 39,659                         | 131,242                         | 95,097                           | 137,341                           | 131,838                           | 1,746,754             |
| Net income (less deficit)                               | 14,499,740                           | -161,757                    | -3,819                  | 6,987                    | 185,245                   | 176,454</                   |                               |                                |                                 |                                  |                                   |                                   |                       |

# RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Industrial division, item                               | Total returns of active corporations | Size of business receipts   |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
|---|--------------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Under \$25,000 <sup>1</sup> | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 under \$500,000,000 | \$500,000,000 or more |
|   | (1)                                  | (2)                         | (3)                     | (4)                      | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                             | (11)                              | (12)                              | (13)                  |
| Wholesale and Retail Trade                              |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 635,540                              | 57,839                      | 34,280                  | 71,892                   | 248,520                   | 85,523                      | 109,271                       | 16,822                         | 9,919                           | 755                              | 419                               | 155                               | 145                   |
| Total assets  | 368,793,060                          | 1,693,831                   | 1,205,983               | 3,050,964                | 25,604,553                | 22,436,077                  | 73,644,069                    | 33,303,206                     | 55,526,672                      | 19,140,191                       | 22,587,567                        | 16,879,251                        | 93,720,696            |
| Notes and accounts receivable, net                      | 96,482,129                           | 275,064                     | 179,096                 | 382,735                  | 4,403,288                 | 5,087,614                   | 18,631,574                    | 8,995,687                      | 15,788,682                      | 5,298,206                        | 5,410,221                         | 3,411,666                         | 28,618,296            |
| Inventories   | 118,766,741                          | 265,325                     | 284,218                 | 774,195                  | 8,739,805                 | 7,844,566                   | 28,125,370                    | 12,465,369                     | 19,702,938                      | 5,883,036                        | 7,069,435                         | 5,164,390                         | 22,448,091            |
| Cash, Government obligations, and other current assets  | 37,981,033                           | 237,252                     | 205,689                 | 417,653                  | 3,756,009                 | 3,118,050                   | 8,550,303                     | 3,456,439                      | 5,259,707                       | 1,945,302                        | 2,811,610                         | 1,611,398                         | 6,611,621             |
| Other investments and loans <sup>2</sup>                | 33,656,794                           | 334,686                     | 82,936                  | 274,725                  | 1,567,467                 | 1,250,914                   | 3,790,864                     | 1,986,309                      | 3,930,060                       | 1,971,421                        | 1,827,072                         | 1,681,316                         | 14,959,024            |
| Depreciable assets                                      | 110,238,392                          | 494,621                     | 480,783                 | 1,343,606                | 9,899,248                 | 7,389,479                   | 21,126,546                    | 8,970,204                      | 14,219,137                      | 5,154,422                        | 6,457,701                         | 6,299,892                         | 28,402,753            |
| Less: Accumulated depreciation                          | 47,081,035                           | 146,619                     | 142,752                 | 486,127                  | 4,545,898                 | 3,556,017                   | 10,020,815                    | 4,052,060                      | 5,983,748                       | 2,062,230                        | 2,547,832                         | 2,407,060                         | 11,129,877            |
| Other capital assets less reserves <sup>3</sup>         | 10,258,783                           | 117,705                     | 75,743                  | 180,700                  | 913,399                   | 697,642                     | 1,967,660                     | 914,147                        | 1,483,639                       | 534,780                          | 661,809                           | 715,392                           | 1,996,167             |
| Accounts and notes payable <sup>4</sup>                 | 130,380,795                          | 470,993                     | 297,843                 | 810,613                  | 7,176,938                 | 7,149,261                   | 28,455,355                    | 13,648,320                     | 22,732,997                      | 6,539,110                        | 7,967,968                         | 5,344,488                         | 29,786,909            |
| Other current liabilities                               | 30,386,187                           | 54,437                      | 54,659                  | 161,666                  | 1,532,641                 | 1,584,112                   | 5,190,237                     | 2,500,340                      | 4,545,587                       | 1,544,620                        | 1,895,637                         | 1,581,757                         | 9,740,494             |
| Mortgages, notes, and bonds payable in one year or more | 49,267,489                           | 298,966                     | 247,890                 | 697,242                  | 4,290,752                 | 2,940,392                   | 8,134,627                     | 3,484,841                      | 5,805,704                       | 2,663,125                        | 3,215,486                         | 2,518,988                         | 14,969,476            |
| Net worth   | 139,281,143                          | 438,486                     | 352,611                 | 715,157                  | 9,475,471                 | 8,961,685                   | 28,012,389                    | 12,373,174                     | 20,762,947                      | 7,726,101                        | 8,745,844                         | 6,778,172                         | 34,939,106            |
| Cost of property used for investment credit             | 11,975,866                           | 108,795                     | 80,425                  | 182,429                  | 1,064,349                 | 788,964                     | 2,370,078                     | 1,071,819                      | 1,802,708                       | 600,095                          | 602,606                           | 753,463                           | 2,550,135             |
| Total receipts  | 1,113,913,736                        | 660,595                     | 1,394,921               | 5,558,584                | 64,272,617                | 62,284,997                  | 240,120,490                   | 118,137,053                    | 185,626,552                     | 53,261,936                       | 65,388,313                        | 55,312,816                        | 261,894,862           |
| Business receipts                                       | 1,094,672,268                        | 475,806                     | 1,284,766               | 5,339,504                | 62,965,880                | 61,183,460                  | 236,488,420                   | 116,335,649                    | 182,712,442                     | 52,227,766                       | 64,065,421                        | 54,362,318                        | 257,230,836           |
| Cost of sales and operations                            | 862,112,883                          | 267,465                     | 720,699                 | 2,961,228                | 38,770,972                | 42,026,781                  | 183,318,854                   | 94,805,869                     | 150,003,935                     | 42,160,160                       | 51,641,051                        | 44,170,591                        | 211,265,278           |
| Taxes paid  | 15,591,445                           | 28,830                      | 15,479                  | 183,507                  | 1,554,115                 | 1,196,618                   | 3,409,413                     | 1,472,590                      | 2,388,809                       | 738,170                          | 933,872                           | 724,567                           | 2,909,475             |
| Interest paid   | 8,786,759                            | 22,133                      | 20,674                  | 73,281                   | 578,421                   | 515,367                     | 1,759,220                     | 841,273                        | 1,368,312                       | 444,024                          | 478,241                           | 365,473                           | 2,320,340             |
| Depreciation  | 9,839,550                            | 40,191                      | 41,987                  | 125,909                  | 982,759                   | 710,952                     | 2,007,482                     | 861,615                        | 1,382,094                       | 432,148                          | 558,787                           | 512,997                           | 2,182,629             |
| Pension, profit-sharing, stock bonus, and annuity plans | 3,244,821                            | 696                         | 3,042                   | 16,388                   | 169,613                   | 184,019                     | 772,793                       | 357,031                        | 444,160                         | 131,393                          | 160,968                           | 156,407                           | 848,311               |
| Employee benefit programs                               | 2,283,969                            | 1,252                       | 1,304                   | 7,754                    | 132,390                   | 126,111                     | 431,437                       | 195,081                        | 307,759                         | 111,440                          | 155,606                           | 111,503                           | 702,332               |
| Net income (less deficit)                               | 26,022,664                           | -152,531                    | -102,279                | -109,241                 | 1,202,666                 | 1,568,143                   | 5,505,975                     | 2,593,643                      | 4,809,177                       | 1,540,026                        | 2,148,348                         | 1,272,372                         | 5,746,365             |
| Net income  | 30,752,208                           | 76,346                      | 57,479                  | 205,050                  | 2,206,546                 | 2,063,462                   | 6,421,649                     | 2,929,565                      | 5,391,762                       | 1,689,641                        | 2,292,273                         | 1,393,962                         | 6,024,473             |
| Income subject to tax                                   | 22,239,955                           | 28,916                      | 23,139                  | 81,862                   | 1,259,060                 | 1,290,417                   | 4,464,547                     | 2,137,781                      | 3,732,923                       | 1,174,720                        | 1,622,476                         | 1,227,277                         | 5,196,837             |
| Income tax, total                                       | 9,144,428                            | 7,319                       | 4,828                   | 16,956                   | 287,059                   | 333,951                     | 1,513,715                     | 893,523                        | 1,702,810                       | 555,100                          | 773,250                           | 577,580                           | 2,478,337             |
| Additional tax for tax preferences                      | 2,464                                | —                           | —                       | —                        | 64                        | 209                         | 39                            | 262                            | 80                              | 84                               | 6                                 | 1,317                             | 403                   |
| Foreign tax credit                                      | 688,894                              | 108                         | —                       | —                        | 445                       | 96                          | 6,386                         | 2,162                          | 12,154                          | 15,496                           | 11,871                            | 12,722                            | 627,454               |
| U.S. possessions tax credit                             | 17,500                               | —                           | —                       | 2                        | 247                       | 259                         | 1,874                         | 656                            | 7,822                           | 2,158                            | 4,482                             | —                                 | —                     |
| Investment credit                                       | 674,450                              | 340                         | 641                     | 2,688                    | 27,476                    | 31,832                      | 117,131                       | 55,823                         | 98,589                          | 35,516                           | 48,011                            | 52,861                            | 203,542               |
| Work incentive (WIN) credit                             | 944                                  | —                           | —                       | —                        | 181                       | 73                          | 254                           | 116                            | 94                              | 27                               | 17                                | 28                                | 154                   |
| Distributions to stockholders except in own stock       | 5,402,867                            | 71,451                      | 14,210                  | 56,248                   | 430,938                   | 320,444                     | 988,653                       | 438,860                        | 939,553                         | 288,766                          | 343,398                           | 220,718                           | 1,289,628             |
| Finance, Insurance, and Real Estate <sup>2</sup>        |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 411,984                              | 200,818                     | 58,247                  | 54,681                   | 66,755                    | 12,295                      | 13,961                        | 2,251                          | 2,194                           | 363                              | 260                               | 75                                | 84                    |
| Total assets  | 2,549,799,105                        | 17,584,905                  | 11,039,574              | 14,633,456               | 54,087,775                | 57,951,687                  | 295,848,193                   | 151,966,166                    | 405,183,574                     | 210,674,923                      | 304,748,110                       | 208,201,891                       | 817,878,851           |
| Notes and accounts receivable, net                      | 727,308,401                          | 1,792,437                   | 1,256,111               | 1,821,248                | 12,411,300                | 21,172,270                  | 100,197,866                   | 32,742,071                     | 79,263,706                      | 51,507,689                       | 93,829,485                        | 66,599,872                        | 264,714,346           |
| Inventories   | 4,076,011                            | 50,880                      | 34,972                  | 69,516                   | 323,521                   | 212,665                     | 255,638                       | 208,250                        | 531,357                         | 117,353                          | 143,931                           | 33,861                            | 2,094,067             |
| Cash, Government obligations, and other current assets  | 623,228,060                          | 3,200,253                   | 1,968,806               | 2,463,057                | 12,639,109                | 17,639,074                  | 81,109,968                    | 33,837,106                     | 87,436,327                      | 50,656,281                       | 81,147,233                        | 56,888,425                        | 194,242,419           |
| Other investments and loans <sup>2</sup>                | 1,034,486,831                        | 4,148,969                   | 2,265,025               | 2,841,757                | 10,823,171                | 11,256,899                  | 97,183,632                    | 77,561,376                     | 219,459,847                     | 100,440,738                      | 118,039,714                       | 76,467,723                        | 313,997,980           |
| Depreciable assets                                      | 110,675,846                          | 5,269,393                   | 5,263,974               | 7,438,245                | 18,167,677                | 7,791,307                   | 15,316,403                    | 6,621,278                      | 13,825,822                      | 5,771,634                        | 6,686,120                         | 3,379,785                         | 15,144,208            |
| Less: Accumulated depreciation                          | 32,400,153                           | 1,878,433                   | 2,154,153               | 2,972,885                | 6,744,975                 | 2,538,006                   | 4,401,782                     | 1,643,274                      | 2,893,649                       | 1,323,550                        | 1,482,108                         | 612,365                           | 3,754,973             |
| Other capital assets less reserves <sup>3</sup>         | 27,688,867                           | 4,181,444                   | 2,085,164               | 2,477,692                | 5,030,725                 | 1,678,039                   | 3,341,410                     | 1,556,592                      | 3,104,652                       | 1,016,230                        | 1,113,522                         | 393,189                           | 1,710,208             |
| Accounts and notes payable <sup>4</sup>                 | 144,543,313                          | 2,879,975                   | 1,511,238               | 2,084,123                | 7,268,937                 | 3,964,034                   | 16,536,882                    | 6,651,736                      | 22,068,155                      | 9,836,773                        | 18,836,207                        | 11,118,872                        | 41,786,381            |
| Other current liabilities                               | 1,583,366,467                        | 749,975                     | 468,361                 | 795,081                  | 15,911,296                | 36,840,743                  | 218,321,974                   | 113,505,639                    | 289,570,424                     | 151,746,880                      | 197,321,306                       | 141,225,420                       | 416,909,548           |
| Mortgages, notes, and bonds payable in one year or more | 155,206,984                          | 5,567,659                   | 3,452,036               | 4,601,410                | 13,708,688                | 6,315,118                   | 16,224,062                    | 8,391,970                      | 18,133,600                      | 7,660,878                        | 15,831,515                        | 6,080,683                         | 49,239,365            |
| Net worth   | 297,291,221                          | 5,274,443                   | 4,277,776               | 5,672,576                | 13,814,899                | 8,959,217                   | 35,935,209                    | 17,585,091                     | 50,361,415                      | 23,828,245                       | 35,355,755                        | 19,513,620                        | 76,712,975            |
| Cost of property used for investment credit             | 5,169,899                            | 87,728                      | 61,054                  | 86,822                   | 313,382                   | 167,461                     | 500,257                       | 228,353                        | 610,913                         | 385,183                          | 515,876                           | 508,759                           | 1,724,111             |
| Total receipts  | 353,774,035                          | 1,589,011                   | 2,075,271               | 3,879,217                | 14,337,112                | 8,715,346                   | 30,028,177                    | 15,596,575                     | 46,134,666                      | 25,689,319                       | 39,852,039                        | 25,264,510                        | 140,612,792           |
| Business receipts                                       | 180,325,093                          | 361,776                     | 639,885                 | 1,820,765                | 8,512,303                 | 4,225,059                   | 8,942,732                     | 4,542,234                      | 17,050,763                      | 10,163,343                       | 19,726,758                        | 12,545,732                        | 91,793,743            |
| Cost of sales and operations                            | 91,445,496                           | 60,609                      | 79,308                  | 308,800                  | 1,913,357                 | 1,398,308                   | 2,667,155                     | 1,749,939                      | 7,863,124                       | 4,590,937                        | 9,406,672                         | 6,511,888                         | 54,895,399            |
| Taxes paid  | 10,225,174                           | 253,366                     | 268,319                 | 367,127                  | 942,160                   | 938,715                     | 933,408                       | 445,234                        | 1,139,346                       | 671,783                          | 989,077                           | 604,221                           | 3,212,418             |
| Interest paid   | 82,409,288                           | 400,455                     | 322,915                 | 461,762                  | 1,831,222                 | 1,961,455                   | 11,185,347                    | 6,333,195                      | 16,209,691                      | 8,440,600                        | 9,521,984                         | 6,241,879                         | 19,498,783            |
| Depreciation  | 7,256,408                            | 209,774                     | 220,348                 | 308,492                  | 792,280                   | 341,700                     | 750,598                       | 325,495                        | 750,524                         | 431,257                          | 620,053                           | 401,835                           | 2,104,052             |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,768,414                            | 1,031                       | 1,585                   | 11,283                   | 113,926                   | 67,440                      | 241,755                       | 113,145                        | 341,147                         | 206,533                          | 348,055                           | 270,567                           | 1,051,947             |
| Employee benefit programs                               | 1,165,750                            | 4,114,                      |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |

## RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, and Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Industrial division, item                               | Total returns of active corporations | Size of business receipts   |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
|---|--------------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------|
|   |                                      | Under \$25,000 <sup>a</sup> | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 under \$500,000,000 | \$500,000,000 or more |
|   | (1)                                  | (2)                         | (3)                     | (4)                      | (5)                       | (6)                         | (7)                           | (8)                            | (9)                             | (10)                             | (11)                              | (12)                              | (13)                  |
| <b>Services</b>   |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 466,317                              | 124,787                     | 45,371                  | 71,779                   | 180,947                   | 26,135                      | 15,274                        | 1,065                          | 795                             | 81                               | 51                                | 24                                | 8                     |
| Total assets  | 99,489,782                           | 4,290,588                   | 1,876,998               | 3,771,577                | 19,282,526                | 9,100,381                   | 17,964,845                    | 4,960,057                      | 11,625,658                      | 4,982,488                        | 7,075,330                         | 6,681,790                         | 7,877,544             |
| Notes and accounts receivable, net                      | 16,437,826                           | 529,770                     | 201,897                 | 381,820                  | 2,587,167                 | 1,450,363                   | 3,534,083                     | 889,401                        | 2,437,112                       | 1,033,883                        | 1,438,031                         | 968,886                           | 985,413               |
| Inventories   | 4,651,469                            | 205,635                     | 64,889                  | 146,048                  | 799,351                   | 300,053                     | 879,211                       | 239,782                        | 513,829                         | 181,557                          | 268,285                           | 441,230                           | 561,599               |
| Cash, Government obligations, and other current assets  | 15,544,159                           | 650,196                     | 337,599                 | 635,672                  | 3,561,447                 | 1,502,493                   | 2,502,927                     | 768,712                        | 1,673,995                       | 774,604                          | 856,056                           | 825,986                           | 1,454,472             |
| Other investments and loans <sup>b</sup>                | 13,377,838                           | 665,596                     | 227,592                 | 372,953                  | 1,964,030                 | 803,536                     | 1,738,756                     | 532,066                        | 1,833,322                       | 686,290                          | 1,373,201                         | 959,244                           | 2,221,252             |
| Depreciable assets                                      | 65,836,839                           | 2,225,113                   | 1,349,965               | 2,950,865                | 14,899,889                | 6,986,831                   | 12,904,654                    | 3,417,473                      | 6,799,236                       | 3,047,582                        | 4,016,213                         | 4,048,484                         | 3,190,534             |
| Less: Accumulated depreciation                          | 27,104,736                           | 868,691                     | 569,011                 | 1,259,887                | 6,776,249                 | 2,972,238                   | 5,196,845                     | 1,435,213                      | 2,824,187                       | 1,233,727                        | 1,576,221                         | 1,343,720                         | 1,048,747             |
| Other capital assets less reserves <sup>c</sup>         | 6,406,663                            | 512,967                     | 191,158                 | 382,226                  | 1,560,624                 | 657,249                     | 1,046,674                     | 292,046                        | 679,581                         | 257,366                          | 329,027                           | 296,967                           | 200,778               |
| Accounts and notes payable <sup>d</sup>                 | 21,852,657                           | 1,042,984                   | 305,402                 | 753,624                  | 4,127,728                 | 2,170,309                   | 4,857,344                     | 1,124,960                      | 2,525,895                       | 1,101,359                        | 1,268,654                         | 1,296,361                         | 1,278,037             |
| Other current liabilities                               | 10,251,527                           | 244,189                     | 83,424                  | 280,271                  | 1,509,472                 | 805,667                     | 1,689,113                     | 569,427                        | 1,205,167                       | 617,007                          | 791,346                           | 598,175                           | 1,858,269             |
| Mortgages, notes, and bonds payable in one year or more | 28,912,987                           | 1,265,390                   | 532,918                 | 1,135,631                | 5,288,447                 | 3,067,857                   | 5,602,769                     | 1,456,427                      | 3,792,144                       | 1,436,404                        | 2,432,599                         | 1,871,696                         | 1,030,705             |
| Net worth   | 29,440,516                           | 486,355                     | 459,724                 | 637,072                  | 6,387,551                 | 2,289,419                   | 4,517,409                     | 1,499,379                      | 3,404,674                       | 1,444,538                        | 2,274,763                         | 2,538,622                         | 3,266,010             |
| Cost of property used for investment credit             | 7,258,099                            | 269,144                     | 94,696                  | 314,502                  | 1,511,175                 | 776,448                     | 1,493,603                     | 343,555                        | 623,464                         | 272,899                          | 379,625                           | 664,425                           | 514,563               |
| Total receipts  | 150,157,645                          | 1,612,793                   | 1,821,757               | 5,590,533                | 41,034,021                | 18,688,706                  | 29,219,324                    | 7,677,308                      | 14,898,879                      | 5,911,012                        | 7,987,010                         | 8,758,860                         | 6,957,442             |
| Business receipts                                       | 143,763,070                          | 931,694                     | 1,670,618               | 5,308,177                | 39,912,376                | 18,161,193                  | 28,226,179                    | 7,346,779                      | 14,076,491                      | 5,722,170                        | 7,670,191                         | 8,416,163                         | 6,321,039             |
| Cost of sales and operations                            | 73,751,536                           | 313,587                     | 602,838                 | 1,909,340                | 15,970,787                | 8,752,468                   | 15,955,653                    | 4,353,414                      | 8,383,049                       | 3,581,306                        | 4,758,962                         | 5,144,923                         | 4,025,209             |
| Taxes paid  | 5,190,491                            | 89,635                      | 87,392                  | 222,973                  | 1,458,586                 | 652,461                     | 992,894                       | 279,268                        | 518,968                         | 176,775                          | 318,397                           | 230,467                           | 161,675               |
| Interest paid   | 3,375,243                            | 100,105                     | 50,193                  | 124,766                  | 615,332                   | 340,746                     | 722,859                       | 172,173                        | 429,946                         | 156,584                          | 244,289                           | 264,654                           | 153,596               |
| Depreciation  | 7,292,624                            | 202,135                     | 118,768                 | 304,241                  | 1,427,465                 | 730,599                     | 1,373,235                     | 382,363                        | 651,572                         | 319,080                          | 428,574                           | 790,703                           | 563,889               |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,697,649                            | 4,163                       | 7,482                   | 108,076                  | 1,361,345                 | 441,054                     | 386,521                       | 83,744                         | 117,954                         | 56,236                           | 51,987                            | 44,153                            | 34,934                |
| Employee benefit programs                               | 796,646                              | 5,273                       | 5,114                   | 32,713                   | 207,687                   | 96,771                      | 158,737                       | 43,091                         | 78,947                          | 34,199                           | 64,437                            | 46,330                            | 23,347                |
| Net income (less deficit)                               | 4,320,445                            | -264,351                    | -3,201                  | 31,740                   | 972,502                   | 492,180                     | 794,983                       | 255,439                        | 661,176                         | 183,220                          | 297,813                           | 473,478                           | 425,466               |
| Net income  | 6,977,268                            | 213,516                     | 133,117                 | 283,081                  | 1,679,061                 | 735,674                     | 1,204,044                     | 373,974                        | 896,065                         | 234,872                          | 323,351                           | 475,043                           | 425,466               |
| Income subject to tax                                   | 5,185,160                            | 96,057                      | 75,563                  | 154,649                  | 1,183,354                 | 465,242                     | 886,429                       | 293,723                        | 719,695                         | 227,023                          | 272,254                           | 430,370                           | 380,801               |
| Income tax, total                                       | 1,918,952                            | 27,041                      | 15,185                  | 34,598                   | 275,566                   | 129,545                     | 342,268                       | 131,217                        | 338,534                         | 107,186                          | 128,002                           | 206,991                           | 182,819               |
| Additional tax for tax preferences                      | 1,019                                | —                           | (*)                     | 42                       | 4                         | 196                         | 71                            | 17                             | 140                             | 52                               | 348                               | 149                               | —                     |
| Foreign tax credit                                      | 93,278                               | *1,070                      | *1                      | *980                     | *87                       | *193                        | 3,000                         | 3,909                          | 11,618                          | 11,912                           | 11,309                            | 25,065                            | 24,134                |
| U.S. possessions tax credit                             | 1,920                                | —                           | 272                     | —                        | 53                        | 19                          | 1,220                         | 168                            | 188                             | —                                | —                                 | —                                 | —                     |
| Investment credit                                       | 299,346                              | 3,191                       | 1,360                   | 6,856                    | 53,580                    | 27,226                      | 55,101                        | 16,813                         | 37,366                          | 9,840                            | 12,660                            | 37,332                            | 38,021                |
| Work incentive (WIN) credit                             | 948                                  | —                           | —                       | —                        | 340                       | 82                          | 66                            | 200                            | 109                             | 26                               | 58                                | 67                                | (*)                   |
| Distributions to stockholders except in own stock       | 1,148,065                            | 73,980                      | 29,318                  | 34,846                   | 289,942                   | 95,289                      | 156,509                       | 68,608                         | 110,475                         | 38,858                           | 82,247                            | 109,574                           | 58,419                |
| <b>Nature of Business not Allocable</b>                 |                                      |                             |                         |                          |                           |                             |                               |                                |                                 |                                  |                                   |                                   |                       |
| Number of returns                                       | 2,825                                | 870                         | *264                    | *240                     | 1,021                     | *175                        | 206                           | 44                             | 5                               | —                                | —                                 | —                                 | —                     |
| Total assets  | 747,276                              | 99,675                      | *25,493                 | *28,172                  | 147,722                   | *54,127                     | 218,643                       | 91,875                         | 81,569                          | —                                | —                                 | —                                 | —                     |
| Notes and accounts receivable, net                      | 152,411                              | *16,808                     | *12,047                 | *12,580                  | 28,148                    | *6,745                      | 46,558                        | 10,611                         | 18,914                          | —                                | —                                 | —                                 | —                     |
| Inventories   | 161,380                              | *13,621                     | *4,338                  | *13                      | 22,260                    | *11,601                     | 48,260                        | *37,906                        | 23,381                          | —                                | —                                 | —                                 | —                     |
| Cash, Government obligations, and other current assets  | 122,673                              | 22,001                      | *8,247                  | *3,529                   | 29,758                    | *17,894                     | 20,950                        | 12,513                         | 7,781                           | —                                | —                                 | —                                 | —                     |
| Other investments and loans <sup>b</sup>                | 88,584                               | *20,365                     | *171                    | *4,920                   | 20,973                    | *764                        | 22,418                        | 16,235                         | 2,738                           | —                                | —                                 | —                                 | —                     |
| Depreciable assets                                      | 279,584                              | *12,944                     | *162                    | *11,420                  | 60,911                    | *23,011                     | 117,888                       | *20,563                        | 32,685                          | —                                | —                                 | —                                 | —                     |
| Less: Accumulated depreciation                          | 127,920                              | *5,187                      | —                       | *4,873                   | 28,418                    | *8,016                      | 57,344                        | *11,156                        | 12,926                          | —                                | —                                 | —                                 | —                     |
| Other capital assets less reserves <sup>c</sup>         | 43,681                               | *18,412                     | *367                    | *570                     | 8,790                     | *1,570                      | 9,256                         | *2,272                         | 2,444                           | —                                | —                                 | —                                 | —                     |
| Accounts and notes payable <sup>d</sup>                 | 195,546                              | *15,032                     | *4,211                  | *11,982                  | 24,401                    | *18,511                     | 67,272                        | 29,393                         | 24,744                          | —                                | —                                 | —                                 | —                     |
| Other current liabilities                               | 111,397                              | *23,449                     | *15,387                 | *2,387                   | 29,015                    | *2,908                      | 13,622                        | 18,846                         | 5,783                           | —                                | —                                 | —                                 | —                     |
| Mortgages, notes, and bonds payable in one year or more | 137,998                              | *17,854                     | *1,666                  | *3,270                   | 31,462                    | *10,747                     | 45,980                        | *14,554                        | 12,465                          | —                                | —                                 | —                                 | —                     |
| Net worth   | 242,042                              | 38,570                      | *1,685                  | *1,185                   | 45,277                    | *16,519                     | 80,483                        | 22,493                         | 37,200                          | —                                | —                                 | —                                 | —                     |
| Cost of property used for investment credit             | 22,860                               | *276                        | *63                     | *2,995                   | *2,162                    | *2,189                      | 11,925                        | *1,373                         | 1,877                           | —                                | —                                 | —                                 | —                     |
| Total receipts  | 1,356,346                            | 12,991                      | *12,988                 | *20,455                  | 236,548                   | *109,076                    | 465,062                       | 292,218                        | 207,008                         | —                                | —                                 | —                                 | —                     |
| Business receipts                                       | 1,319,895                            | *8,026                      | *11,847                 | *19,742                  | 225,761                   | *103,219                    | 459,790                       | 288,338                        | 203,172                         | —                                | —                                 | —                                 | —                     |
| Cost of sales and operations                            | 910,136                              | *3,324                      | *4,470                  | *9,698                   | 109,575                   | *65,563                     | 313,954                       | 234,375                        | 169,177                         | —                                | —                                 | —                                 | —                     |
| Taxes paid  | 27,946                               | 975                         | *1,271                  | *890                     | 5,638                     | *2,715                      | 9,690                         | 3,472                          | 3,295                           | —                                | —                                 | —                                 | —                     |
| Interest paid   | 22,339                               | 2,274                       | *471                    | *230                     | 3,378                     | *2,483                      | 7,329                         | 3,777                          | 2,397                           | —                                | —                                 | —                                 | —                     |
| Depreciation  | 26,704                               | *1,495                      | *33                     | *1,086                   | 3,568                     | *3,514                      | 12,416                        | 1,489                          | 3,103                           | —                                | —                                 | —                                 | —                     |
| Pension, profit-sharing, stock bonus, and annuity plans | 13,937                               | *9                          | —                       | —                        | *11,146                   | *20                         | *885                          | *906                           | 971                             | —                                | —                                 | —                                 | —                     |
| Employee benefit programs                               | 4,478                                | *24                         | *40                     | —                        | *744                      | *1,663                      | 1,015                         | *482                           | 510                             | —                                | —                                 | —                                 | —                     |
| Net income (less deficit)                               | 17,401                               | -5,855                      | *-100                   | *-2,738                  | -3,495                    | *4,567                      | 14,779                        | 6,377                          | 3,866                           | —                                | —                                 | —                                 | —                     |
| Net income  | 50,045                               | *634                        | *1,768                  | *1,810                   | 4,683                     | *9,113                      | 19,460                        | 6,377                          | 6,200                           | —                                | —                                 | —                                 | —                     |
| Income subject to tax                                   | 38,007                               | *559                        | *1,768                  | *858                     | 4,327                     | *3,840                      | 15,973                        | *4,505                         | 6,177                           | —                                | —                                 | —                                 | —                     |
| Income tax, total                                       | 13,600                               | *145                        | *356                    | *143                     | 815                       | *864                        | 6,392                         | *1,951                         | 2,934                           | —                                | —                                 | —                                 | —                     |
| Additional tax for tax preferences                      | —                                    | —                           | —                       | —                        | —                         | —                           | —                             | —                              | —                               | —                                | —                                 | —                                 | —                     |
| Foreign tax credit                                      | *57                                  | —                           | —                       | —                        | —                         | —                           | —                             | —                              | *57                             | —                                | —                                 | —                                 | —                     |
| U.S. possessions tax credit                             | 552                                  | —                           | —                       | —                        | —                         | —                           | 552                           | —                              | —                               | —                                | —                                 | —                                 | —                     |
| Investment credit                                       | 1,058                                | *6                          | *6                      | (*)                      | *68                       | *12                         | 690                           | *142                           | *134                            | —                                | —                                 | —                                 | —                     |
| Work incentive (WIN) credit                             | —                                    | —                           | —                       | —                        | —                         | —                           | —                             | —                              | —                               | —                                | —                                 | —                                 | —                     |
| Distributions to stockholders except in own stock       | *1,800                               | —                           | *150                    | —                        | *65                       | —                           | *653                          | *126                           | *806                            | —                                | —                                 | —                                 | —                     |

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\* Identifies (a) size classes for which data were deleted to avoid disclosure of information for specific corporations and (b) combined frequencies or amounts which include the data thus deleted from another size class.

\* Includes returns with zero receipts and receipts not reported.

\* Size of total receipts was used in lieu of business receipts to classify statistics for the "Finance, insurance, and real estate" industrial division.

\* Includes loans to stockholders, mortgage and real estate loans, and "other investments."

\* Includes depletable assets less accumulated depletion, land, and intangible assets less accumulated amortization.

\* Includes accounts payable and mortgages, notes, and bonds payable in less than one year.

\* Less than \$500 per return.

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 8.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Income Tax, and Distributions to Stockholders, by Selected Industrial Divisions, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Selected industrial divisions, item                                       | Total returns of active Small Business Corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                      |
|---|---|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|----------------------|
|   |   | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 or more |
|   | (1)   | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                  |
| <b>All Industrial Divisions<sup>1</sup></b>                               |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 391,685   | 13,093               | 252,918             | 68,557                    | 31,793                    | 15,718                      | 9,088                         | 391                            | 127                  |
| With net income   | 222,941   | 5,467                | 131,699             | 44,973                    | 22,361                    | 11,596                      | 6,481                         | 266                            | 98                   |
| Total assets  | 62,197,040  | —                    | 8,006,056           | 10,765,133                | 11,122,770                | 10,876,133                  | 15,773,396                    | 2,698,826                      | 2,954,726            |
| Notes and accounts receivable, net  | 11,193,732  | —                    | 1,075,240           | 1,896,006                 | 2,072,809                 | 2,055,325                   | 2,970,391                     | 540,908                        | 583,053              |
| Inventories   | 13,040,445  | —                    | 1,501,646           | 2,254,645                 | 2,340,369                 | 2,443,361                   | 3,314,182                     | 521,874                        | 664,368              |
| Cash, Government obligations, and other current assets                    | 9,806,643   | —                    | 1,558,941           | 1,560,229                 | 1,711,938                 | 1,587,541                   | 2,393,874                     | 535,931                        | 458,189              |
| Other investments and loans <sup>2</sup>                                  | 4,357,632   | —                    | 555,369             | 672,278                   | 638,558                   | 615,242                     | 1,324,871                     | 180,567                        | 370,747              |
| Depreciable assets  | 29,869,265  | —                    | 5,079,015           | 5,722,578                 | 5,784,709                 | 5,112,563                   | 6,495,000                     | 789,269                        | 886,131              |
| Less: Accumulated depreciation  | 13,457,581  | —                    | 2,581,443           | 2,681,088                 | 2,675,197                 | 2,250,917                   | 2,608,229                     | 324,458                        | 336,249              |
| Other capital assets less reserves <sup>3</sup>                           | 5,324,098   | —                    | 459,227             | 950,536                   | 940,989                   | 1,046,301                   | 1,448,151                     | 268,244                        | 210,650              |
| Accounts and notes payable <sup>4</sup>                                   | 19,830,686  | —                    | 2,201,115           | 3,116,385                 | 3,424,440                 | 3,694,153                   | 5,652,874                     | 632,822                        | 908,897              |
| Other current liabilities   | 4,156,053   | —                    | 617,527             | 604,396                   | 720,093                   | 714,119                     | 1,034,112                     | 210,291                        | 255,515              |
| Mortgages, notes, and bonds payable in one year or more                   | 12,756,801  | —                    | 1,261,661           | 2,104,935                 | 2,091,403                 | 2,285,148                   | 3,670,042                     | 746,345                        | 597,267              |
| Net worth   | 16,159,992  | —                    | 1,425,759           | 3,209,711                 | 3,514,407                 | 2,858,798                   | 3,674,739                     | 590,045                        | 886,533              |
| Stockholders' undistributed taxable income previously taxed <sup>5</sup>  | 1,687,752   | —                    | —965,999            | 311,246                   | 928,832                   | 691,081                     | 645,423                       | 65,352                         | 11,817               |
| Total receipts  | 148,438,448   | 1,435,364            | 29,776,240          | 26,673,966                | 26,218,542                | 25,664,617                  | 31,204,581                    | 3,515,587                      | 3,949,551            |
| Business receipts   | 145,251,251   | 1,374,091            | 29,315,900          | 26,169,877                | 25,639,347                | 25,116,220                  | 30,384,254                    | 3,418,339                      | 3,833,223            |
| Net long-term capital gain reduced by net short-term capital loss         | 386,708   | 9,011                | 90,127              | 47,692                    | 48,019                    | 69,436                      | 88,820                        | 16,602                         | 17,001               |
| Cost of sales and operations  | 103,291,684   | 983,645              | 17,760,315          | 17,828,052                | 18,388,589                | 19,018,273                  | 23,700,030                    | 2,682,259                      | 2,930,521            |
| Taxes paid  | 3,315,705   | 42,723               | 819,133             | 649,640                   | 532,120                   | 519,703                     | 596,083                       | 88,567                         | 87,736               |
| Interest paid   | 1,755,611   | 19,620               | 216,281             | 296,498                   | 304,928                   | 328,283                     | 463,969                       | 62,294                         | 63,738               |
| Depreciation  | 2,849,387   | 32,539               | 594,721             | 553,581                   | 532,133                   | 434,903                     | 546,555                       | 81,425                         | 73,530               |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 343,717   | *4,913               | 47,938              | 41,622                    | 60,997                    | 70,938                      | 87,423                        | 14,197                         | 15,689               |
| Employee benefit programs   | 379,336   | 7,583                | 86,567              | 64,090                    | 64,020                    | 57,991                      | 70,173                        | 15,652                         | 13,660               |
| Net income (less deficit)   | 3,671,196   | —6,918               | 345,503             | 612,188                   | 753,984                   | 738,406                     | 933,964                       | 126,319                        | 167,750              |
| Net income  | 6,228,103   | 90,112               | 1,302,821           | 1,120,695                 | 1,070,463                 | 1,014,512                   | 1,237,632                     | 165,931                        | 225,937              |
| Income subject to corporation tax   | *10,822   | —                    | *4,895              | —                         | *4,203                    | *158                        | *669                          | *897                           | —                    |
| Income tax  | *3,185  | —                    | *1,403              | —                         | *1,261                    | *52                         | *200                          | *269                           | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 2,194   | *10                  | 221                 | 206                       | 742                       | 479                         | 471                           | 45                             | 20                   |
| Distributions to stockholders except in own stock                         | 2,440,099   | 37,996               | 538,604             | 399,103                   | 390,474                   | 340,268                     | 496,069                       | 85,292                         | 152,293              |
| Number of stockholders  | 1,049,357   | 42,794               | 624,082             | 188,179                   | 98,801                    | 58,016                      | 35,455                        | 1,430                          | 600                  |
| <b>Agriculture, Forestry, and Fishing</b>                                 |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 18,825  | *387                 | 7,906               | 4,833                     | 3,048                     | 1,685                       | *939                          | —                              | 27                   |
| With net income   | 10,079  | *211                 | 3,708               | 3,023                     | 1,599                     | 961                         | 564                           | *13                            | —                    |
| Total assets  | 5,032,821   | —                    | 330,736             | 787,104                   | 1,073,821                 | 1,165,658                   | 1,499,145                     | 176,357                        | 23,236               |
| Notes and accounts receivable, net  | 277,229   | —                    | 5,558               | 44,110                    | 45,675                    | 58,389                      | 100,261                       | 17,335                         | 23,236               |
| Inventories   | 420,101   | —                    | 16,184              | 38,726                    | 59,580                    | 113,463                     | 159,714                       | *32,434                        | —                    |
| Cash, Government obligations, and other current assets                    | 400,161   | —                    | 43,310              | 69,304                    | 88,175                    | 81,385                      | 107,652                       | 10,335                         | —                    |
| Other investments and loans <sup>2</sup>                                  | 330,004   | —                    | 8,533               | 25,028                    | 88,747                    | 69,409                      | 125,728                       | *12,559                        | —                    |
| Depreciable assets  | 3,097,414   | —                    | 292,769             | 592,801                   | 748,622                   | 636,551                     | 761,434                       | 65,237                         | —                    |
| Less: Accumulated depreciation  | 1,276,829   | —                    | 132,499             | 273,651                   | 307,098                   | 268,062                     | 272,076                       | 23,443                         | —                    |
| Other capital assets less reserves <sup>3</sup>                           | 1,579,857   | —                    | 83,799              | 258,458                   | 298,520                   | 409,459                     | 475,419                       | 54,202                         | —                    |
| Accounts and notes payable <sup>4</sup>                                   | 1,115,219   | —                    | 64,725              | 142,274                   | 239,027                   | 273,400                     | 357,316                       | 38,477                         | —                    |
| Other current liabilities   | 111,980   | —                    | 10,929              | 17,261                    | 15,072                    | 24,027                      | 39,682                        | *5,009                         | —                    |
| Mortgages, notes, and bonds payable in one year or more                   | 1,543,166   | —                    | 62,454              | 183,727                   | 266,459                   | 369,536                     | 566,414                       | 94,576                         | —                    |
| Net worth   | 1,536,419   | —                    | 64,582              | 316,267                   | 429,450                   | 342,659                     | 362,409                       | 21,052                         | —                    |
| Stockholders' undistributed taxable income previously taxed <sup>5</sup>  | —164,037  | —                    | —78,839             | —65,558                   | 35,016                    | —25,709                     | —18,239                       | —10,708                        | —                    |
| Total receipts  | 4,891,679   | *134,383             | 566,426             | 813,668                   | 909,896                   | 985,568                     | 1,252,646                     | 229,092                        | —                    |
| Business receipts   | 4,597,153   | *125,629             | 547,024             | 755,026                   | 854,869                   | 911,390                     | 1,180,297                     | 222,918                        | —                    |
| Net long-term capital gain reduced by net short-term capital loss         | 90,531  | *1,143               | 5,160               | 9,346                     | 16,690                    | 28,922                      | 26,414                        | *2,856                         | —                    |
| Cost of sales and operations  | 3,193,161   | *99,226              | 324,015             | 489,061                   | 563,368                   | 632,167                     | 882,398                       | 202,926                        | —                    |
| Taxes paid  | 118,198   | *1,202               | 16,046              | 24,203                    | 23,834                    | 24,898                      | 26,240                        | 1,775                          | —                    |
| Interest paid   | 183,673   | *5,161               | 10,350              | 26,631                    | 33,546                    | 44,227                      | 54,928                        | 8,830                          | —                    |
| Depreciation  | 283,817   | *5,165               | 32,531              | 53,137                    | 70,243                    | 56,468                      | 60,817                        | 5,456                          | —                    |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 4,320   | *404                 | —                   | *418                      | *284                      | *586                        | 2,491                         | *137                           | —                    |
| Employee benefit programs   | 4,826   | *188                 | *133                | *1,515                    | *627                      | 775                         | 1,535                         | *53                            | —                    |
| Net income (less deficit)   | 73,545  | *14,577              | —9,736              | 32,034                    | 12,155                    | 21,923                      | 6,048                         | —3,456                         | —                    |
| Net income  | 334,487   | *16,519              | 50,580              | 74,561                    | 69,730                    | 66,208                      | 52,997                        | *3,892                         | —                    |
| Income subject to corporation tax   | *554  | —                    | —                   | —                         | —                         | —                           | *554                          | —                              | —                    |
| Income tax  | *166  | —                    | —                   | —                         | —                         | —                           | *166                          | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 919   | *10                  | *52                 | 159                       | 216                       | 168                         | 287                           | *27                            | —                    |
| Distributions to stockholders except in own stock                         | 111,256   | *6,394               | *18,435             | 25,880                    | 14,392                    | 19,046                      | 24,509                        | *600                           | —                    |
| Number of stockholders  | 62,473  | *802                 | 22,610              | 17,487                    | 10,972                    | 6,593                       | 3,874                         | 135                            | —                    |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 8.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Income Tax, and Distributions to Stockholders, by Selected Industrial Divisions, by Size of Total Assets—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

| Selected industrial divisions/item  | Total returns of active Small Business Corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                      |
|---|---|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|----------------------|
|   |   | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 or more |
|   | (1)   | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                  |
| <b>Mining</b>   |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 2,293   | *3                   | 915                 | 459                       | 261                       | 407                         | 219                           | 29                             | 29                   |
| With net income   | 1,095   | —                    | *102                | *373                      | *171                      | 237                         | 183                           | 29                             | 29                   |
| Total assets  | 1,233,308   | —                    | 31,270              | 88,548                    | 93,119                    | 264,643                     | 410,194                       | 345,534                        | —                    |
| Notes and accounts receivable, net  | 236,219   | —                    | *2,840              | *3,461                    | *1,878                    | 38,600                      | 98,967                        | 90,473                         | —                    |
| Inventories   | 50,273  | —                    | —                   | *8,213                    | —                         | 6,725                       | 25,768                        | 9,567                          | —                    |
| Cash, Government obligations, and other current assets                    | 196,008   | —                    | *6,464              | 17,375                    | 16,503                    | 34,410                      | 75,235                        | 46,021                         | —                    |
| Other investments and loans <sup>2</sup>                                  | 107,474   | —                    | *8,196              | *1,086                    | *153                      | 23,689                      | 26,650                        | 47,700                         | —                    |
| Depreciable assets  | 970,253   | —                    | *21,659             | 62,333                    | 107,885                   | 221,240                     | 323,741                       | 233,395                        | —                    |
| Less: Accumulated depreciation  | 421,279   | —                    | *11,677             | 22,428                    | 40,737                    | 82,167                      | 165,688                       | 98,582                         | —                    |
| Other capital assets less reserves <sup>1</sup>                           | 63,595  | —                    | *3,482              | *7,907                    | *7,395                    | 19,914                      | 14,095                        | 10,802                         | —                    |
| Accounts and notes payable <sup>1</sup>                                   | 382,891   | —                    | *6,195              | *6,611                    | *25,720                   | 119,283                     | 126,734                       | 98,348                         | —                    |
| Other current liabilities   | 70,509  | —                    | *446                | *3,098                    | *1,659                    | 21,470                      | 21,082                        | 22,754                         | —                    |
| Mortgages, notes, and bonds payable in one year or more                   | 186,418   | —                    | —                   | *6,588                    | *28,101                   | 53,229                      | 49,158                        | 49,342                         | —                    |
| Net worth   | 389,022   | —                    | —33,401             | 56,391                    | 23,424                    | 27,200                      | 168,349                       | 147,059                        | —                    |
| Stockholders' undistributed taxable income previously taxed <sup>3</sup>  | 25,064  | —                    | *26,306             | —22,336                   | *2,054                    | —8,630                      | 49,058                        | 31,224                         | —                    |
| Total receipts  | 2,021,770   | *509                 | *49,822             | 155,473                   | 153,963                   | 309,257                     | 608,350                       | 744,396                        | —                    |
| Business receipts   | 1,945,907   | *474                 | *46,812             | 154,442                   | 152,716                   | 291,006                     | 570,957                       | 729,500                        | —                    |
| Net long—term capital gain reduced by net short—term capital loss         | 9,893   | *3                   | *1,178              | *2                        | *116                      | *4,547                      | *1,774                        | *2,273                         | —                    |
| Cost of sales and operations  | 1,295,578   | *1,748               | *23,176             | 80,610                    | 75,655                    | 154,615                     | 374,634                       | 585,140                        | —                    |
| Taxes paid  | 46,829  | *85                  | 1,588               | 4,044                     | 5,237                     | 10,836                      | 13,576                        | 11,463                         | —                    |
| Interest paid   | 38,304  | *65                  | *62                 | 684                       | *1,912                    | 18,396                      | 9,664                         | 7,521                          | —                    |
| Depreciation  | 137,833   | *738                 | *2,811              | 8,447                     | 16,576                    | 29,722                      | 43,843                        | 35,696                         | —                    |
| Pension, profit—sharing, stock bonus, and annuity plans                   | 5,038   | —                    | *81                 | —                         | *506                      | *596                        | 2,522                         | 1,333                          | —                    |
| Employee benefit programs   | 5,430   | —                    | *74                 | —                         | *71                       | *575                        | 3,532                         | 1,178                          | —                    |
| Net income (less deficit)   | 122,003   | *—2,430              | —5,901              | 22,784                    | 2,877                     | 15,010                      | 55,345                        | 34,318                         | —                    |
| Net income  | 198,443   | —                    | *5,772              | *34,094                   | *15,176                   | 43,635                      | 65,448                        | 34,318                         | —                    |
| Income subject to corporation tax   | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Income tax  | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 145   | —                    | —                   | —                         | *78                       | *12                         | 41                            | *14                            | —                    |
| Distributions to stockholders except in own stock                         | 95,235  | —                    | *2,333              | *20,048                   | *8,105                    | 17,151                      | 32,241                        | 15,357                         | —                    |
| Number of stockholders  | 6,495   | *3                   | 2,044               | 1,544                     | 616                       | 1,236                       | 946                           | 106                            | —                    |
| <b>Construction</b>   |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 43,476  | 1,203                | 27,912              | 8,217                     | 3,239                     | 1,577                       | 1,185                         | 118                            | 25                   |
| With net income   | 26,407  | *456                 | 16,373              | 5,602                     | 2,039                     | 1,138                       | 698                           | 83                             | 18                   |
| Total assets  | 7,827,545   | —                    | 875,159             | 1,305,143                 | 1,115,783                 | 1,060,793                   | 2,158,054                     | 800,310                        | 512,303              |
| Notes and accounts receivable, net  | 1,684,781   | —                    | 185,529             | 280,046                   | 303,613                   | 245,232                     | 414,584                       | 172,603                        | 83,174               |
| Inventories   | 1,753,052   | —                    | 95,097              | 206,264                   | 223,400                   | 249,971                     | 509,495                       | 206,294                        | 262,531              |
| Cash, Government obligations, and other current assets                    | 1,602,213   | —                    | 197,320             | 274,915                   | 234,276                   | 217,742                     | 470,529                       | 144,426                        | 63,005               |
| Other investments and loans <sup>2</sup>                                  | 664,870   | —                    | 67,288              | 106,128                   | 70,149                    | 65,474                      | 309,181                       | 23,667                         | 22,963               |
| Depreciable assets  | 2,545,987   | —                    | 526,399             | 586,884                   | 461,564                   | 356,710                     | 506,801                       | 78,994                         | 28,635               |
| Less: Accumulated depreciation  | 1,295,990   | —                    | 263,342             | 289,724                   | 247,419                   | 181,170                     | 271,689                       | 33,585                         | 9,061                |
| Other capital assets less reserves <sup>1</sup>                           | 556,600   | —                    | 48,017              | 117,447                   | 51,956                    | 82,126                      | 146,744                       | 104,294                        | 6,016                |
| Accounts and notes payable <sup>1</sup>                                   | 3,376,673   | —                    | 289,498             | 493,472                   | 497,118                   | 461,661                     | 1,100,678                     | 327,631                        | 206,615              |
| Other current liabilities   | 709,405   | —                    | 58,578              | 85,952                    | 112,338                   | 119,035                     | 190,886                       | 68,842                         | 73,774               |
| Mortgages, notes, and bonds payable in one year or more                   | 1,204,846   | —                    | 131,792             | 186,574                   | 147,963                   | 164,329                     | 285,708                       | 185,729                        | 102,751              |
| Net worth   | 1,235,614   | —                    | 182,370             | 266,624                   | 233,138                   | 163,381                     | 303,315                       | 59,845                         | 26,941               |
| Stockholders' undistributed taxable income previously taxed <sup>3</sup>  | 181,903   | —                    | —13,561             | 15,764                    | 31,473                    | 45,719                      | 74,149                        | 33,689                         | —5,330               |
| Total receipts  | 16,045,513  | 113,405              | 4,156,390           | 3,295,197                 | 2,351,209                 | 1,944,363                   | 2,960,701                     | 858,353                        | 365,895              |
| Business receipts   | 15,781,210  | 112,078              | 4,098,870           | 3,253,049                 | 2,319,083                 | 1,897,747                   | 2,904,789                     | 836,349                        | 359,245              |
| Net long—term capital gain reduced by net short—term capital loss         | 31,208  | *138                 | 9,211               | 8,935                     | 3,268                     | 2,946                       | 5,450                         | *666                           | 574                  |
| Cost of sales and operations  | 12,262,194  | 88,994               | 2,990,642           | 2,454,979                 | 1,804,127                 | 1,482,509                   | 2,377,959                     | 745,853                        | 317,131              |
| Taxes paid  | 375,884   | 5,130                | 111,528             | 90,380                    | 55,789                    | 41,629                      | 53,280                        | 11,359                         | 6,789                |
| Interest paid   | 202,341   | *1,158               | 31,917              | 43,044                    | 29,664                    | 31,080                      | 48,587                        | 12,540                         | 4,351                |
| Depreciation  | 295,002   | *1,784               | 71,981              | 70,626                    | 52,520                    | 38,601                      | 50,561                        | 6,371                          | 2,558                |
| Pension, profit—sharing, stock bonus, and annuity plans                   | 47,959  | *208                 | 5,528               | 6,849                     | 11,017                    | 6,729                       | 13,435                        | 3,234                          | 959                  |
| Employee benefit programs   | 53,816  | *453                 | 12,339              | 13,277                    | 9,264                     | 4,351                       | 10,158                        | 3,727                          | 247                  |
| Net income (less deficit)   | 291,817   | —1,495               | 82,851              | 57,365                    | 11,041                    | 57,414                      | 64,276                        | 16,917                         | 3,448                |
| Net income  | 591,015   | *9,255               | 172,349             | 134,239                   | 67,536                    | 78,277                      | 99,187                        | 22,929                         | 7,243                |
| Income subject to corporation tax   | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Income tax  | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 179   | —                    | *2                  | *10                       | *18                       | *126                        | 21                            | *1                             | 1                    |
| Distributions to stockholders except in own stock                         | 207,260   | *13,200              | 54,838              | 45,403                    | 23,894                    | 20,292                      | 33,259                        | 11,684                         | 4,690                |
| Number of stockholders  | 102,563   | 4,204                | 61,405              | 19,822                    | 8,146                     | 4,701                       | 3,887                         | 295                            | 103                  |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 8.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Income Tax, and Distributions to Stockholders, by Selected Industrial Divisions, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Selected industrial divisions, item                                       | Total returns of active Small Business Corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                      |
|---|---|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|----------------------|
|   |   | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 or more |
|   | (1)   | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                  |
| <b>Manufacturing</b>  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 34,027  | *789                 | 20,121              | 5,905                     | 3,646                     | 2,166                       | 1,318                         | 61                             | 21                   |
| With net income   | 20,332  | *643                 | 9,740               | 3,912                     | 3,001                     | 1,836                       | 1,142                         | 41                             | 17                   |
| Total assets  | 8,014,581   | —                    | 686,299             | 955,222                   | 1,261,284                 | 1,525,742                   | 2,258,007                     | 408,721                        | 919,306              |
| Notes and accounts receivable, net  | 1,959,305   | —                    | 142,650             | 233,664                   | 348,361                   | 373,686                     | 595,135                       | 90,305                         | 175,504              |
| Inventories   | 1,692,720   | —                    | 105,978             | 190,528                   | 254,925                   | 356,308                     | 543,119                       | 108,050                        | 133,812              |
| Cash, Government obligations, and other current assets                    | 1,217,356   | —                    | 108,250             | 175,987                   | 199,690                   | 234,187                     | 363,825                       | 57,868                         | 77,549               |
| Other investments and loans <sup>a</sup>                                  | 593,791   | —                    | 27,826              | 46,053                    | 48,467                    | 70,622                      | 132,686                       | 31,602                         | 236,535              |
| Depreciable assets  | 4,452,199   | —                    | 495,080             | 580,363                   | 837,651                   | 982,394                     | 1,116,870                     | 157,146                        | 282,695              |
| Less: Accumulated depreciation  | 2,434,608   | —                    | 250,191             | 318,712                   | 489,905                   | 556,086                     | 599,456                       | 76,361                         | 143,897              |
| Other capital assets less reserves <sup>a</sup>                           | 333,710   | —                    | 24,238              | 26,957                    | 32,563                    | 42,556                      | 65,692                        | 15,841                         | 125,863              |
| Accounts and notes payable <sup>a</sup>                                   | 2,117,398   | —                    | 178,548             | 283,411                   | 367,134                   | 419,301                     | 648,911                       | 127,999                        | 92,094               |
| Other current liabilities   | 590,470   | —                    | 47,323              | 57,548                    | 109,232                   | 128,216                     | 171,666                       | 25,356                         | 51,129               |
| Mortgages, notes, and bonds payable in one year or more                   | 1,096,044   | —                    | 117,568             | 156,037                   | 143,832                   | 238,493                     | 281,335                       | 58,638                         | 100,141              |
| Net worth   | 3,375,483   | —                    | 136,452             | 326,541                   | 530,571                   | 596,631                     | 1,000,538                     | 182,922                        | 601,828              |
| Stockholders' undistributed taxable income previously taxed <sup>a</sup>  | 775,927   | —                    | —63,651             | 90,152                    | 227,635                   | 157,741                     | 307,569                       | 43,881                         | 12,600               |
| Total receipts  | 19,773,097  | *126,788             | 2,242,074           | 2,648,537                 | 3,271,764                 | 4,188,407                   | 5,547,175                     | 741,539                        | 1,006,813            |
| Business receipts   | 19,518,658  | *124,622             | 2,224,547           | 2,629,291                 | 3,236,225                 | 4,147,706                   | 5,471,944                     | 722,458                        | 961,865              |
| Net long—term capital gain reduced by net short—term capital loss         | 47,314  | —                    | *1,831              | *4,499                    | 3,443                     | 1,001                       | 18,865                        | 7,158                          | 10,517               |
| Cost of sales and operations  | 14,104,257  | *85,660              | 1,432,045           | 1,875,373                 | 2,209,564                 | 3,131,275                   | 4,129,802                     | 566,192                        | 674,346              |
| Taxes paid  | 519,440   | *2,223               | 80,095              | 80,112                    | 88,434                    | 100,601                     | 121,498                       | 13,232                         | 33,245               |
| Interest paid   | 163,249   | *1,708               | 16,520              | 23,626                    | 26,316                    | 34,929                      | 41,974                        | 7,583                          | 10,593               |
| Depreciation  | 395,747   | *4,497               | 60,831              | 56,217                    | 76,107                    | 74,130                      | 89,987                        | 12,624                         | 21,354               |
| Pension, profit—sharing, stock bonus, and annuity plans                   | 86,232  | —                    | 5,367               | 5,560                     | 15,305                    | 21,212                      | 27,845                        | 2,966                          | 7,977                |
| Employee benefit programs   | 82,825  | *711                 | 10,259              | 13,547                    | 14,327                    | 15,208                      | 17,956                        | 2,302                          | 8,515                |
| Net income (less deficit)   | 803,655   | *4,500               | —10,533             | 38,315                    | 152,480                   | 189,693                     | 332,223                       | 45,665                         | 51,312               |
| Net income  | 1,090,140   | *6,436               | 87,611              | 107,061                   | 182,072                   | 221,323                     | 357,252                       | 52,759                         | 75,626               |
| Income subject to corporation tax   | *1,012  | —                    | —                   | —                         | —                         | —                           | *115                          | *897                           | —                    |
| Income tax  | *303  | —                    | —                   | —                         | —                         | —                           | *34                           | *269                           | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 122   | —                    | *31                 | *11                       | *18                       | *21                         | 22                            | *10                            | 9                    |
| Distributions to stockholders except in own stock                         | 449,551   | *1,276               | 31,374              | 38,544                    | 67,354                    | 65,671                      | 152,533                       | 33,257                         | 59,542               |
| Number of stockholders  | 93,700  | *1,576               | 49,124              | 16,618                    | 11,425                    | 8,373                       | 6,170                         | 321                            | 93                   |
| <b>Transportation and Public Utilities</b>                                |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 17,254  | *145                 | 12,051              | 2,743                     | 1,333                     | 520                         | 430                           | 25                             | 7                    |
| With net income   | 9,311   | *145                 | 6,201               | 1,562                     | 708                       | 341                         | 333                           | ***                            | ***                  |
| Total assets  | 2,643,620   | —                    | 410,751             | 422,058                   | 468,258                   | 366,775                     | 707,762                       | 172,841                        | 95,175               |
| Notes and accounts receivable, net  | 394,168   | —                    | 55,819              | 62,122                    | 64,346                    | 53,415                      | 100,002                       | 34,410                         | 24,054               |
| Inventories   | 74,923  | —                    | 4,427               | 12,303                    | *6,919                    | 9,259                       | 21,047                        | *11,149                        | 9,819                |
| Cash, Government obligations, and other current assets                    | 373,509   | —                    | 81,422              | 49,041                    | 48,184                    | 56,249                      | 107,020                       | 15,525                         | 16,068               |
| Other investments and loans <sup>a</sup>                                  | 143,672   | —                    | 11,949              | 20,267                    | 10,538                    | 29,672                      | 52,818                        | *17,939                        | 489                  |
| Depreciable assets  | 2,402,954   | —                    | 373,496             | 456,929                   | 516,678                   | 294,616                     | 577,114                       | 97,531                         | 86,590               |
| Less: Accumulated depreciation  | 982,976   | —                    | 150,931             | 211,855                   | 224,102                   | 115,176                     | 194,620                       | 37,851                         | 48,441               |
| Other capital assets less reserves <sup>a</sup>                           | 70,211  | —                    | 6,350               | 16,408                    | 9,927                     | 11,912                      | 17,700                        | *4,842                         | 3,072                |
| Accounts and notes payable <sup>a</sup>                                   | 715,316   | —                    | 98,759              | 139,481                   | 131,956                   | 100,648                     | 165,418                       | 44,494                         | 34,560               |
| Other current liabilities   | 142,945   | —                    | 22,112              | 13,535                    | 28,744                    | 20,969                      | 43,371                        | *7,953                         | 6,261                |
| Mortgages, notes, and bonds payable in one year or more                   | 776,501   | —                    | 117,652             | 89,801                    | 144,952                   | 112,943                     | 260,826                       | *43,118                        | 7,209                |
| Net worth   | 563,341   | —                    | 75,906              | 83,258                    | 84,243                    | 48,562                      | 164,735                       | 72,384                         | 34,253               |
| Stockholders' undistributed taxable income previously taxed <sup>a</sup>  | —39,052   | —                    | —30,713             | 15,841                    | —26,435                   | —10,435                     | 10,727                        | *—792                          | 2,755                |
| Total receipts  | 5,190,101   | *96,702              | 1,269,929           | 951,990                   | 779,887                   | 774,911                     | 893,626                       | 228,601                        | 194,455              |
| Business receipts   | 5,062,436   | *94,903              | 1,259,446           | 934,981                   | 766,246                   | 758,764                     | 827,936                       | 227,186                        | 192,974              |
| Net long—term capital gain reduced by net short—term capital loss         | 18,798  | *802                 | *1,416              | *1,868                    | *1,533                    | *9,200                      | 3,859                         | *111                           | 9                    |
| Cost of sales and operations  | 3,543,167   | *89,669              | 849,277             | 621,766                   | 540,003                   | 513,321                     | 624,895                       | 162,722                        | 141,514              |
| Taxes paid  | 156,184   | *295                 | 37,059              | 34,108                    | 23,540                    | 24,748                      | 20,710                        | 11,178                         | 4,546                |
| Interest paid   | 89,676  | *515                 | 15,616              | 15,159                    | 21,425                    | 14,541                      | 17,435                        | *2,483                         | 2,502                |
| Depreciation  | 240,484   | *348                 | 47,625              | 52,768                    | 61,753                    | 28,757                      | 36,061                        | 7,048                          | 6,124                |
| Pension, profit—sharing, stock bonus, and annuity plans                   | 16,212  | —                    | *1,199              | *1,089                    | *802                      | 3,838                       | 4,137                         | *3,448                         | 1,699                |
| Employee benefit programs   | 22,648  | *72                  | 3,013               | 4,653                     | *2,152                    | 5,921                       | 1,625                         | *5,160                         | 52                   |
| Net income (less deficit)   | 134,031   | *1,612               | 16,933              | 20,290                    | —3,285                    | 22,604                      | 50,550                        | 6,737                          | 18,590               |
| Net income  | 260,872   | *1,612               | 46,257              | 41,713                    | 27,747                    | 40,672                      | 71,069                        | ***                            | ***                  |
| Income subject to corporation tax   | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Income tax  | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 373   | —                    | *50                 | —                         | *116                      | *124                        | 82                            | *1                             | (*)                  |
| Distributions to stockholders except in own stock                         | 92,208  | —                    | 13,666              | *5,113                    | *9,998                    | 18,208                      | 28,395                        | *2,651                         | 14,177               |
| Number of stockholders  | 48,200  | *289                 | 32,969              | 8,418                     | 3,535                     | 1,667                       | 1,193                         | 93                             | 36                   |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 8.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Income Tax, and Distributions to Stockholders, by Selected Industrial Divisions, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Selected industrial divisions, item                                       | Total returns of active Small Business Corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                      |
|---|---|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|----------------------|
|   |   | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 or more |
|   | (1)   | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                  |
| <b>Wholesale and Retail Trade</b>   |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 139,982   | 3,852                | 82,436              | 31,104                    | 13,642                    | 6,051                       | 2,822                         | 50                             | 25                   |
| With net income   | 84,091  | 977                  | 43,659              | 20,785                    | 10,983                    | 5,184                       | 2,434                         | 44                             | 25                   |
| Total assets  | 22,576,873  | —                    | 3,147,285           | 4,776,235                 | 4,728,846                 | 4,234,343                   | 4,786,592                     | 330,521                        | 573,051              |
| Notes and accounts receivable, net  | 4,466,169   | —                    | 368,441             | 817,700                   | 926,765                   | 984,296                     | 1,116,052                     | 103,583                        | 149,332              |
| Inventories   | 8,476,730   | —                    | 1,132,043           | 1,693,699                 | 1,699,408                 | 1,642,765                   | 1,947,800                     | 115,518                        | 245,497              |
| Cash, Government obligations, and other current assets                    | 2,894,359   | —                    | 506,388             | 544,589                   | 683,042                   | 510,615                     | 513,749                       | 46,142                         | 89,834               |
| Other investments and loans <sup>1</sup>                                  | 993,537   | —                    | 132,686             | 231,057                   | 202,522                   | 188,594                     | 203,538                       | 18,447                         | 16,693               |
| Depreciable assets  | 8,204,906   | —                    | 1,583,918           | 1,963,020                 | 1,778,964                 | 1,381,330                   | 1,324,380                     | 72,542                         | 100,752              |
| Less: Accumulated depreciation  | 3,788,956   | —                    | 791,022             | 874,861                   | 817,961                   | 655,646                     | 573,200                       | 39,532                         | 36,734               |
| Other capital assets less reserves <sup>1</sup>                           | 768,687   | —                    | 98,477              | 193,512                   | 162,437                   | 124,550                     | 175,899                       | 9,820                          | 3,992                |
| Accounts and notes payable <sup>1</sup>                                   | 8,387,042   | —                    | 972,705             | 1,439,975                 | 1,596,152                 | 1,735,955                   | 2,164,325                     | 135,940                        | 341,990              |
| Other current liabilities   | 1,445,040   | —                    | 222,864             | 282,121                   | 285,079                   | 257,748                     | 334,312                       | 20,004                         | 42,912               |
| Mortgages, notes, and bonds payable in one year or more                   | 2,961,988   | —                    | 414,354             | 879,945                   | 628,914                   | 437,258                     | 536,256                       | 27,986                         | 37,275               |
| Net worth   | 7,116,668   | —                    | 780,784             | 1,551,679                 | 1,670,271                 | 1,417,407                   | 1,425,583                     | 134,782                        | 136,162              |
| Stockholders' undistributed taxable income previously taxed <sup>1</sup>  | 1,876,687   | —                    | -87,719             | 338,476                   | 614,861                   | 537,203                     | 419,665                       | 28,776                         | 25,425               |
| Total receipts  | 81,676,492  | 639,600              | 14,228,013          | 15,715,967                | 15,975,949                | 15,331,922                  | 17,466,693                    | 827,289                        | 1,491,059            |
| Business receipts   | 80,594,493  | 627,250              | 14,088,377          | 15,510,391                | 15,802,347                | 15,094,029                  | 17,186,180                    | 813,002                        | 1,472,917            |
| Net long-term capital gain reduced by net short-term capital loss         | 78,575  | *4,685               | 28,035              | 9,194                     | 16,935                    | 7,051                       | 9,238                         | *1,236                         | 2,201                |
| Cost of sales and operations  | 60,491,707  | 475,826              | 9,097,884           | 10,902,177                | 12,040,133                | 11,930,777                  | 14,231,179                    | 671,109                        | 1,142,622            |
| Taxes paid  | 1,375,879   | 13,607               | 319,442             | 288,740                   | 234,913                   | 231,283                     | 254,113                       | 9,466                          | 24,315               |
| Interest paid   | 555,264   | 3,852                | 75,907              | 117,850                   | 111,752                   | 100,085                     | 130,589                       | 6,305                          | 8,924                |
| Depreciation  | 788,021   | 5,567                | 173,580             | 189,011                   | 159,246                   | 125,149                     | 117,782                       | 6,338                          | 11,348               |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 111,141   | *4                   | 13,514              | 14,225                    | 20,957                    | 29,555                      | 27,048                        | 1,955                          | 3,883                |
| Employee benefit programs   | 126,941   | *862                 | 26,254              | 19,671                    | 23,428                    | 25,682                      | 26,520                        | 1,087                          | 3,437                |
| Net income (less deficit)   | 1,702,696   | -17,590              | 136,896             | 272,471                   | 441,922                   | 369,082                     | 379,875                       | 33,156                         | 86,884               |
| Net income  | 2,397,859   | 23,160               | 439,762             | 463,746                   | 514,718                   | 419,327                     | 415,948                       | 34,314                         | 86,884               |
| Income subject to corporation tax   | *9,098  | —                    | *4,895              | —                         | *4,203                    | —                           | —                             | —                              | —                    |
| Income tax  | *2,664  | —                    | *1,403              | —                         | *1,261                    | —                           | —                             | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 338   | —                    | —                   | *22                       | *277                      | *21                         | 17                            | *1                             | ( <sup>4</sup> )     |
| Distributions to stockholders except in own stock                         | 918,709   | *4,969               | 172,950             | 163,016                   | 191,030                   | 152,957                     | 161,257                       | 10,666                         | 61,864               |
| Number of stockholders  | 368,425   | 12,506               | 202,259             | 78,409                    | 42,244                    | 21,343                      | 11,317                        | 242                            | 105                  |
| <b>Finance, Insurance, and Real Estate</b>                                |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 45,278  | 2,441                | 30,350              | 6,891                     | 3,157                     | 1,320                       | 1,053                         | 44                             | 22                   |
| With net income   | 25,098  | 1,532                | 16,345              | 4,130                     | 1,794                     | 712                         | 553                           | ***                            | ***                  |
| Total assets  | 6,568,331   | —                    | 869,847             | 1,093,928                 | 1,145,201                 | 884,388                     | 1,893,239                     | 348,159                        | 333,569              |
| Notes and accounts receivable, net  | 1,152,797   | —                    | 102,656             | 247,001                   | 195,298                   | 149,083                     | 347,572                       | 62,792                         | 48,395               |
| Inventories   | 201,429   | —                    | *36,478             | *43,160                   | *41,400                   | *9,870                      | 38,772                        | *27,579                        | 4,170                |
| Cash, Government obligations, and other current assets                    | 1,908,883   | —                    | 258,691             | 228,341                   | 264,791                   | 295,816                     | 525,667                       | 176,177                        | 159,400              |
| Other investments and loans <sup>1</sup>                                  | 954,129   | —                    | 155,723             | 152,744                   | 136,833                   | 94,228                      | 328,382                       | 39,887                         | 46,332               |
| Depreciable assets  | 1,338,739   | —                    | 284,042             | 257,092                   | 323,106                   | 159,457                     | 268,493                       | 11,887                         | 34,662               |
| Less: Accumulated depreciation  | 449,013   | —                    | 136,506             | 94,323                    | 104,201                   | 41,451                      | 58,883                        | 3,077                          | 10,572               |
| Other capital assets less reserves <sup>1</sup>                           | 1,172,355   | —                    | 121,991             | 208,422                   | 245,900                   | 181,879                     | 348,801                       | 28,899                         | 36,463               |
| Accounts and notes payable <sup>1</sup>                                   | 1,952,649   | —                    | 202,689             | 311,874                   | 307,253                   | 331,964                     | 637,950                       | 66,141                         | 94,778               |
| Other current liabilities   | 470,917   | —                    | 68,976              | 78,151                    | 65,803                    | 44,223                      | 111,115                       | 52,715                         | 49,934               |
| Mortgages, notes, and bonds payable in one year or more                   | 1,935,045   | —                    | 126,180             | 258,968                   | 348,893                   | 250,212                     | 633,420                       | *201,827                       | 115,545              |
| Net worth   | 791,549   | —                    | 78,772              | 222,895                   | 231,622                   | 97,543                      | 145,116                       | -11,870                        | 27,471               |
| Stockholders' undistributed taxable income previously taxed <sup>1</sup>  | -434,513  | —                    | -295,459            | -50,635                   | 20,534                    | 1,546                       | -73,842                       | -32,715                        | -3,942               |
| Total receipts  | 4,239,499   | 55,428               | 1,561,513           | 622,398                   | 666,069                   | 620,983                     | 570,294                       | 52,967                         | 89,847               |
| Business receipts   | 3,606,764   | *32,519              | 1,465,819           | 532,643                   | 519,814                   | 548,573                     | 402,667                       | *36,301                        | 68,428               |
| Net long-term capital gain reduced by net short-term capital loss         | 71,287  | *2,240               | 25,398              | 12,396                    | 2,937                     | 9,295                       | 16,537                        | *1,336                         | 1,148                |
| Cost of sales and operations  | 1,129,219   | *10,801              | 426,816             | 89,037                    | 126,184                   | 279,591                     | 120,535                       | *23,633                        | 52,622               |
| Taxes paid  | 127,151   | 1,414                | 40,669              | 21,307                    | 24,541                    | 17,220                      | 18,446                        | 1,304                          | 2,250                |
| Interest paid   | 200,247   | *2,636               | 20,679              | 28,256                    | 35,538                    | 25,089                      | 63,654                        | 12,166                         | 12,229               |
| Depreciation  | 95,290  | *326                 | 32,290              | 18,613                    | 17,134                    | 9,380                       | 15,033                        | 1,052                          | 1,462                |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 16,650  | *194                 | *2,308              | *2,108                    | 4,122                     | 4,039                       | 3,451                         | *332                           | 96                   |
| Employee benefit programs   | 16,111  | —                    | 5,096               | 2,603                     | 3,775                     | 2,282                       | 2,194                         | *30                            | 131                  |
| Net income (less deficit)   | 223,924   | 172                  | 75,036              | 65,122                    | 47,661                    | 30,418                      | 11,565                        | -1,671                         | -4,379               |
| Net income  | 506,316   | 13,887               | 173,820             | 103,304                   | 69,384                    | 59,838                      | 75,223                        | ***                            | ***                  |
| Income subject to corporation tax   | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Income tax  | —   | —                    | —                   | —                         | —                         | —                           | —                             | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | *11   | —                    | —                   | —                         | *10                       | —                           | *1                            | —                              | —                    |
| Distributions to stockholders except in own stock                         | 206,728   | *4,373               | 91,011              | 38,970                    | 22,396                    | 19,348                      | 25,870                        | *3,359                         | 1,401                |
| Number of stockholders  | 128,183   | 6,642                | 83,251              | 19,610                    | 10,458                    | 4,477                       | 3,576                         | 104                            | 65                   |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 8.—Selected Balance Sheet and Income Statement Items, Income Subject to Tax, Income Tax, and Distributions to Stockholders, by Selected Industrial Divisions, by Size of Total Assets—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Selected industrial divisions, item                                       | Total returns of active Small Business Corporations | Size of total assets |                     |                           |                           |                             |                               |                                |                      |
|---|---|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|----------------------|
|   |   | Zero assets          | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 or more |
|   | (1)   | (2)                  | (3)                 | (4)                       | (5)                       | (6)                         | (7)                           | (8)                            | (9)                  |
| <b>Services</b>   |   |                      |                     |                           |                           |                             |                               |                                |                      |
| Number of returns:  |   |                      |                     |                           |                           |                             |                               |                                |                      |
| With and without net income   | 90,364  | 4,273                | 71,126              | 8,338                     | 3,467                     | 1,979                       | 1,118                         | 44                             | 19                   |
| With net income   | 46,440  | 1,503                | 35,568              | 5,519                     | 2,066                     | 1,174                       | 570                           | 30                             | 10                   |
| Total assets  | 8,255,956   | —                    | 1,648,996           | 1,323,514                 | 1,236,458                 | 1,366,520                   | 2,054,336                     | 300,980                        | 325,152              |
| Notes and accounts receivable, net  | 1,018,739   | —                    | 210,570             | 207,902                   | 186,873                   | 150,785                     | 196,509                       | 28,284                         | 37,816               |
| Inventories   | 365,940   | —                    | 108,389             | 61,752                    | 54,737                    | 53,850                      | 67,390                        | 16,574                         | 3,248                |
| Cash, Government obligations, and other current assets                    | 1,199,101   | —                    | 355,819             | 187,296                   | 177,277                   | 156,905                     | 230,051                       | 56,501                         | 35,252               |
| Other investments and loans <sup>2</sup>                                  | 558,446   | —                    | 143,158             | 89,915                    | 81,149                    | 73,554                      | 145,745                       | 4,070                          | 20,855               |
| Depreciable assets  | 6,849,288   | —                    | 1,501,056           | 1,223,156                 | 1,010,239                 | 1,075,563                   | 1,613,940                     | 182,737                        | 242,597              |
| Less: Accumulated depreciation  | 2,806,038   | —                    | 844,878             | 595,534                   | 443,774                   | 350,366                     | 471,915                       | 49,354                         | 50,217               |
| Other capital assets less reserves <sup>1</sup>                           | 778,587   | —                    | 72,873              | 121,425                   | 132,291                   | 173,765                     | 203,445                       | 45,849                         | 28,939               |
| Accounts and notes payable <sup>1</sup>                                   | 1,774,595   | —                    | 384,590             | 299,287                   | 260,080                   | 249,136                     | 449,172                       | 65,147                         | 67,183               |
| Other current liabilities   | 614,033   | —                    | 186,071             | 66,438                    | 102,166                   | 98,313                      | 121,882                       | 22,546                         | 16,617               |
| Mortgages, notes, and bonds payable in one year or more                   | 3,037,126   | —                    | 289,995             | 343,295                   | 382,289                   | 656,536                     | 1,055,233                     | 120,747                        | 189,031              |
| Net worth   | 1,143,386   | —                    | 142,109             | 378,139                   | 311,688                   | 163,680                     | 104,251                       | 21,646                         | 21,873               |
| Stockholders' undistributed taxable income previously taxed <sup>3</sup>  | —532,792  | —                    | —367,893            | —10,458                   | 23,694                    | —6,354                      | —123,859                      | —18,453                        | —29,469              |
| Total receipts  | 14,490,497  | 268,549              | 5,696,599           | 2,427,872                 | 2,109,805                 | 1,474,366                   | 1,888,495                     | 341,259                        | 283,552              |
| Business receipts   | 14,037,481  | 256,616              | 5,579,536           | 2,357,945                 | 1,988,047                 | 1,433,080                   | 1,822,932                     | 329,883                        | 269,442              |
| Net long-term capital gain reduced by net short-term capital loss         | 39,056  | —                    | 17,898              | 1,410                     | 3,077                     | 6,474                       | 6,679                         | 17,231                         | 287                  |
| Cost of sales and operations  | 7,189,785   | 131,721              | 2,611,538           | 1,286,706                 | 1,029,555                 | 863,335                     | 947,003                       | 173,243                        | 146,684              |
| Taxes paid  | 594,327   | 18,767               | 212,578             | 105,605                   | 75,832                    | 68,192                      | 87,972                        | 11,230                         | 14,151               |
| Interest paid   | 321,374   | 4,525                | 45,198              | 41,248                    | 44,775                    | 59,528                      | 96,755                        | 10,947                         | 18,398               |
| Depreciation  | 612,512   | 14,114               | 173,016             | 104,762                   | 78,554                    | 72,266                      | 132,276                       | 20,073                         | 17,451               |
| Pension, profit-sharing, stock bonus, and annuity plans                   | 56,148  | 4,103                | 19,941              | 11,373                    | 8,004                     | 4,383                       | 6,477                         | 1,304                          | 563                  |
| Employee benefit programs   | 65,922  | 5,297                | 29,365              | 8,083                     | 10,376                    | 3,197                       | 6,611                         | 2,699                          | 294                  |
| Net income (less deficit)   | 314,820   | —6,264               | 61,815              | 98,534                    | 89,133                    | 31,269                      | 33,887                        | 11,113                         | —4,667               |
| Net income  | 842,406   | 19,243               | 326,668             | 156,704                   | 124,100                   | 84,239                      | 100,313                       | 18,341                         | 12,798               |
| Income subject to corporation tax   | 158   | —                    | —                   | —                         | —                         | 158                         | —                             | —                              | —                    |
| Income tax  | 52  | —                    | —                   | —                         | —                         | 52                          | —                             | —                              | —                    |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 107   | —                    | 86                  | 4                         | 9                         | 7                           | (*)                           | —                              | 1                    |
| Distributions to stockholders except in own stock                         | 359,152   | 5,784                | 153,997             | 62,129                    | 53,305                    | 27,595                      | 38,005                        | 15,389                         | 2,948                |
| Number of stockholders  | 238,763   | 16,772               | 170,019             | 26,137                    | 11,405                    | 9,613                       | 4,488                         | 171                            | 158                  |

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\* Identifies (a) size classes for which data were deleted to avoid disclosure of information for specific corporations and (b) combined frequencies or amounts which include the data thus deleted from another size class.

\*\*\* Data deleted to avoid disclosure of information for specific corporations. Deleted data included in the appropriate totals.

<sup>1</sup> Includes "Nature of business not allocable" which is not shown separately.<sup>2</sup> Includes loans to stockholders, mortgage and real estate loans, and "other investments."<sup>3</sup> Includes depletable assets less accumulated depletion, land, and intangible assets less accumulated amortization.<sup>4</sup> Includes accounts payable and mortgages, notes, and bonds payable in less than one year.<sup>5</sup> This item is reflected in the statistics for "Retained earnings, unappropriated" and "Net worth" in tables which show these items.<sup>6</sup> Less than \$500 per return.

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 9.--Book Net Income or Deficit and Provision for Federal Income Tax

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item  | Number or amount |
|---|------------------|
| Total returns of active corporations:                                   |                  |
| Number of returns.....  | 2,082,200        |
| Tax net income (less deficit).....                                      | 111,289,355      |
| Returns with book net income or deficit:                                |                  |
| Number of returns, total.....   | 1,887,091        |
| With book net income.....   | 1,174,042        |
| With book deficit.....  | 713,049          |
| Book net income (less deficit).....                                     | 114,672,403      |
| Tax net income (less deficit).....                                      | 96,476,071       |
| Provision for Federal income tax, net:                                  |                  |
| Number of returns.....  | 692,459          |
| Amount.....   | 46,168,857       |
| Provision for Federal income tax (+):                                   |                  |
| Number of returns.....  | 664,317          |
| Amount.....   | 47,616,695       |
| Provision for Federal income tax (-):                                   |                  |
| Number of returns.....  | 28,142           |
| Amount.....   | 1,447,838        |
| Total income tax after investment and work incentive (WIN) credits..... | 62,307,576       |
| Foreign tax credit.....   | 20,790,643       |
| U.S. possessions tax credit.....  | 700,600          |

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 10.--Returns With Beginning and Ending Inventories and With "Last-in, First-out" (LIFO) Inventory Method: Business Receipts, Net Income (Less Deficit), Total Income Tax, and Total Assets

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item   | Number or amount |
|--|------------------|
| Total returns of active corporations:                            |                  |
| Number of returns.....   | 2,082,200        |
| Business receipts.....   | 3,370,399,288    |
| Net income (less deficit).....                                   | 185,419,106      |
| Total income tax.....  | 83,291,815       |
| Total assets.....  | 4,720,938,670    |
| Inventories:   |                  |
| Beginning of year.....   | 307,285,604      |
| End of year.....   | 350,644,363      |
| Returns showing inventories for both beginning and end of year:  |                  |
| Number of returns.....   | 817,280          |
| Business receipts.....   | 2,874,095,105    |
| Net income (less deficit).....                                   | 158,368,893      |
| Total income tax.....  | 72,690,897       |
| Total assets.....  | 2,205,683,942    |
| Inventories:   |                  |
| Beginning of year.....   | 306,421,871      |
| End of year.....   | 339,908,293      |
| Total returns with LIFO inventory method under Code section 472: |                  |
| Number of returns.....   | 24,563           |
| Business receipts.....   | 947,650,203      |
| Net income (less deficit).....                                   | 58,785,319       |
| Total income tax.....  | 26,740,500       |
| Total assets.....  | 675,080,805      |
| Inventories, end of year.....                                    | 110,801,896      |
| Returns showing inventories for both beginning and end of year:  |                  |
| Number of returns.....   | 18,350           |
| Inventories:   |                  |
| Beginning of year.....   | 97,770,434       |
| End of year.....   | 109,263,627      |
| Returns indicating adoption of LIFO for 1976 income year:        |                  |
| Number of returns.....   | 2,686            |
| Business receipts.....   | 347,044,119      |
| Net income (less deficit).....                                   | 25,903,481       |
| Total income tax.....  | 11,444,957       |
| Total assets.....  | 242,965,335      |
| Inventories, end of year.....                                    | 33,504,997       |
| Returns showing inventories for both beginning and end of year:  |                  |
| Number of returns.....   | 1,811            |
| Inventories:   |                  |
| Beginning of year.....   | 29,204,357       |
| End of year.....   | 32,945,417       |

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 11.--Tax Preference and Related Items

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item   | Number or amount |
|--|------------------|
| Number of returns of active corporations, other than Forms 1120S and 1120-DISC.....          | 1,683,604        |
| Depreciation deduction.....  | 90,905,674       |
| Amortization deduction.....  | 834,123          |
| Depletion deduction.....   | 5,574,052        |
| Net long-term capital gain reduced by net short-term capital loss, total.....                | 9,288,292        |
| Amount taxed at alternative rate.....  | 5,901,157        |
| Returns with tax preference items:   |                  |
| Number of returns.....   | 26,065           |
| Total assets.....  | 3,099,099,782    |
| Total receipts.....  | 1,773,237,521    |
| Income tax, total.....   | 48,527,686       |
| Normal tax, surtax, and alternative tax before credits.....                                  | 48,139,127       |
| Normal tax, surtax, and alternative tax after credits.....                                   | 31,309,468       |
| Additional tax for tax preferences, total:   |                  |
| Number of returns.....   | 5,676            |
| Amount.....  | 192,929          |
| Amount deferred from prior years:  |                  |
| Number of returns.....   | 280              |
| Amount.....  | 13,718           |
| Tax preference items:  |                  |
| Accelerated depreciation on--  |                  |
| Low-income rental housing.....   | 28,071           |
| Other real property.....   | 816,941          |
| Leased personal property.....  | 4,821            |
| Amortization of--  |                  |
| Certified pollution control facilities.....  | 68,678           |
| Railroad rolling stock.....  | 13,922           |
| On-the-job training facilities.....  | 1,036            |
| Child care facilities.....   | *1,072           |
| Reserves for losses on bad debts of financial institutions.....                              | 1,272,621        |
| Depletion.....   | 2,763,444        |
| Capital gains.....   | 1,806,582        |
| Intangible drilling costs.....   | 2,183            |
| Total items of tax preference <sup>1</sup> .....   | 6,794,975        |
| Returns with tax preference items based on--   |                  |
| Accelerated depreciation:  |                  |
| Depreciation deduction.....  | 53,681,339       |
| Amortization:  |                  |
| Amortization deduction.....  | 153,871          |
| Reserves for losses on bad debts of financial institutions:                                  |                  |
| Bad debts deduction.....   | 2,846,113        |
| Depletion:   |                  |
| Depletion deduction.....   | 4,964,979        |
| Capital gains:   |                  |
| Net long-term capital gain reduced by net short-term capital loss taxed at alternative rate. | 5,353,311        |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup>Includes amounts of tax preference items which are not shown separately.

NOTE: Credits include foreign tax, U.S. possessions tax, investment, and work incentive (WIN) credits. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF ACTIVE CORPORATIONS

Table 12.--Tax Items: Dividend Items, Statutory Special Deductions, Income Tax, Credits, and Taxpayments

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item   | Number of returns | Amount      |
|--|-------------------|-------------|
| Number of returns of active corporations.....  | 2,082,200         | -           |
| Dividends received from domestic corporations, total.....                              | 108,396           | 11,968,994  |
| Amount qualifying for 85 percent deduction.....  | 103,788           | 7,960,179   |
| Amount on certain public utility stock qualifying for 60.208 percent deduction.....    | 1,734             | 24,780      |
| Intragroup dividends qualifying for 100 percent deduction.....                         | 1,540             | 987,301     |
| Intragroup dividends qualifying for transitional deduction under Code section 1564(b). | 391               | 93,301      |
| Amount received from DISC's.....   | 4,018             | 2,903,433   |
| Dividends received from foreign corporations, total.....                               | 4,952             | 7,491,448   |
| Amount qualifying for 85 percent deduction.....  | 392               | 2,595       |
| Intragroup dividends qualifying for 100 percent deduction.....                         | 179               | 38,950      |
| Other foreign dividends.....   | 4,405             | 7,449,903   |
| Constructive taxable income from related foreign corporations, total.....              | 1,603             | 5,957,050   |
| Includable income from Controlled Foreign Corporations.....                            | 434               | 929,615     |
| Foreign dividend income resulting from foreign taxes deemed paid.....                  | 1,448             | 5,027,435   |
| Net income (less deficit).....   | 2,082,200         | 185,419,106 |
| Statutory special deductions, total.....   | 302,808           | 13,253,891  |
| Net operating loss deduction.....  | 218,871           | 6,552,642   |
| Dividends received deduction.....  | 91,617            | 6,189,139   |
| Deduction for dividends paid on certain public utility stock.....                      | 156               | 30,639      |
| Western Hemisphere Trade Corporation deduction.....                                    | 1,424             | 481,471     |
| Income subject to tax.....   | 898,407           | 183,471,529 |
| Income tax, total.....   | 919,436           | 83,291,815  |
| Form 1120S.....  | *206              | *3,185      |
| Normal tax, surtax, and alternative tax before credits.....                            | 898,407           | 82,793,852  |
| Normal tax, surtax, and alternative tax after credits.....                             | 709,177           | 49,349,433  |
| Tax from recomputing prior-year investment credit, total.....                          | 123,953           | 304,877     |
| Returns with net income.....   | 104,782           | 275,747     |
| Tax from recomputing prior-year work incentive (WIN) credit, total.....                | 1,203             | 153         |
| Returns with net income.....   | 940               | 133         |
| Additional tax for tax preferences.....  | 5,689             | 192,933     |
| Foreign tax credit.....  | 6,513             | 23,578,926  |
| U.S. possessions tax credit.....   | 384               | 703,429     |
| Investment credit.....   | 584,815           | 9,152,712   |
| Work incentive (WIN) credit.....   | 4,795             | 9,352       |
| Personal Holding Company tax.....  | 2,134             | 5,144       |
| Estimated tax payments, net total.....   | 522,388           | 33,631,058  |
| 1975 overpayments claimed as a credit.....   | 192,510           | 1,896,954   |
| 1976 estimated tax payments.....   | 435,137           | 32,396,794  |
| Less: Refund of estimated tax payments.....  | 8,516             | 664,358     |
| Payments with applications for--   |                   |             |
| First extension of filing time.....  | 111,607           | 8,508,699   |
| Second extension of filing time.....   | 16,853            | 5,965,975   |
| Credit for tax paid by regulated investment companies.....                             | 475               | 1,384       |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil.....         | 35,901            | 46,274      |
| Tax due at time of filing.....   | 615,460           | 5,114,796   |
| Tax overpayment.....   | 315,729           | 3,422,535   |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Credits include foreign tax, U.S. possessions tax, investment, and work incentive (WIN) credits. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## Corporation Returns/1976

## RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORM 1120-DISC

Table 13.--Investment Credit Items: Number of Returns, Cost of Property, Investment Qualified for Credit, Carryover, Income Tax, Unused Credit, Depreciable Assets, and Depreciation Deduction

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item  | Number or amount |
|---|------------------|
| Number of returns of active corporations, other than Form 1120-DISC.....                        | 2,075,289        |
| Returns with investment credit items, other than Forms 1120S and 1120-DISC:                     |                  |
| Number of returns.....  | 836,787          |
| Cost of property used for investment credit, total.....   | 134,702,773      |
| Cost of new property.....   | 109,059,439      |
| 1974 and 1975 qualified progress expenditures.....  | 8,402,919        |
| 1976 qualified progress expenditures.....   | 14,002,973       |
| Cost of used property.....  | 3,237,442        |
| Investment qualified for credit, total.....   | 107,933,005      |
| New property.....   | 98,119,345       |
| 1974 and 1975 qualified progress expenditures.....  | 1,676,812        |
| 1976 qualified progress expenditures.....   | 5,601,403        |
| Used property.....  | 2,535,445        |
| Tentative investment credit, total.....   | 11,265,727       |
| 10 percent tentative investment credit.....   | 10,608,602       |
| 7 percent tentative investment credit.....  | 209,734          |
| 1 percent additional tentative investment credit for qualifying stock ownership plans.....      | 447,391          |
| Investment credit carryover.....  | 5,385,676        |
| Income tax, total.....  | 79,832,733       |
| Normal tax, surtax, and alternative tax.....  | 79,365,023       |
| Tax from recomputing prior-year investment credit.....  | 279,909          |
| Normal tax, surtax, and alternative tax after foreign tax and U.S. possessions tax credits..... | 56,828,491       |
| Investment credit:  |                  |
| Number of returns.....  | 584,815          |
| Amount.....   | 9,152,712        |
| Number of returns with 100 percent investment credit claimed on certain ships.....              | 1,194            |
| Unused investment credit:   |                  |
| Number of returns.....  | 327,228          |
| Amount.....   | 7,509,842        |
| Depreciable assets.....   | 1,276,611,587    |
| Depreciation deduction.....   | 86,574,401       |
| Returns of Small Business Corporations, Form 1120S, with investment credit items:               |                  |
| Number of returns.....  | 180,831          |
| Cost of property usable by stockholders for investment credit, total.....                       | 3,443,703        |
| Cost of new property.....   | 2,795,592        |
| 1974 and 1975 qualified progress expenditures.....  | *2,009           |
| 1976 qualified progress expenditures.....   | *22              |
| Cost of used property.....  | 646,080          |
| Depreciable assets.....   | 23,286,780       |
| Depreciation deduction.....   | 2,239,643        |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120-DISC

Table 14.--Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Total Income Tax, Credits, and Selected Dividend Items, by Type of Return and Relationship

[All figures are estimates based on samples--money amounts are in thousands of dollars]

| Item   | Number or amount |
|--|------------------|
| Total returns of members of controlled groups, other than Form 1120-DISC:                                |                  |
| Number of returns, total.....  | 288,538          |
| Number of Form 1120S returns.....  | 13,895           |
| Total assets.....  | 3,525,006,378    |
| Total receipts.....  | 2,563,112,695    |
| Net income (less deficit).....   | 150,309,221      |
| Total income tax.....  | 71,875,117       |
| Foreign tax credit.....  | 23,478,903       |
| Investment credit.....   | 8,021,059        |
| Work incentive (WIN) credit.....   | 6,466            |
| Distributions to stockholders except in own stock.....   | 43,273,399       |
| Returns of members of controlled groups, other than Forms 1120S and 1120-DISC:                           |                  |
| Number of returns.....   | 274,643          |
| Total assets.....  | 3,520,080,202    |
| Total receipts.....  | 2,552,909,503    |
| Intragroup domestic dividends received qualifying for 100 percent deduction:                             |                  |
| Number of returns.....   | 1,540            |
| Amount.....  | 987,301          |
| Intragroup domestic dividends received qualifying for transitional deduction under Code section 1564(b): |                  |
| Number of returns.....   | 391              |
| Amount received.....   | 93,301           |
| Amount deducted.....   | 91,818           |
| Net income (less deficit).....   | 150,096,313      |
| Total income tax.....  | 71,875,073       |
| Distributions to stockholders except in own stock.....   | 43,077,989       |
| Returns of members of controlled groups, other than Forms 1120S and 1120-DISC, by type of relationship:  |                  |
| Members of parent-subsidiary groups:   |                  |
| Number of returns, total.....  | 94,126           |
| Number of consolidated returns.....  | 36,825           |
| Total assets.....  | 3,203,925,233    |
| Total receipts.....  | 2,238,530,246    |
| Net income (less deficit).....   | 140,114,263      |
| Members of brother-sister groups:  |                  |
| Number of returns.....   | 165,499          |
| Total assets.....  | 91,717,105       |
| Total receipts.....  | 171,027,559      |
| Net income (less deficit).....   | 4,557,371        |
| Members of combined parent-subsidiary and brother-sister groups:   |                  |
| Number of returns, total.....  | 14,993           |
| Number of consolidated returns.....  | 4,576            |
| Total assets.....  | 216,375,858      |
| Total receipts.....  | 138,311,448      |
| Net income (less deficit).....   | 5,388,645        |
| Number of returns of members of controlled groups with relationship not determinable.....                | 25               |

NOTE: See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

## CONSOLIDATED AND NONCONSOLIDATED RETURNS OF ACTIVE CORPORATIONS

Table 15.—Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Size of Total Assets

[All figures are estimates based on samples—money amounts are in thousands of dollars]

| Type of return and size of total assets | Number of returns | Total assets  | Total receipts | Net income (less deficit) | Total income tax |
|---|-------------------|---------------|----------------|---------------------------|------------------|
|   | (1)               | (2)           | (3)            | (4)                       | (5)              |
| <b>Consolidated Returns</b>             |                   |               |                |                           |                  |
| Total.....                              | 41,401            | 2,979,660,465 | 2,011,952,169  | 125,420,764               | 60,116,220       |
| Zero assets.....                        | 635               | -             | 8,144,288      | 208,522                   | 138,065          |
| \$1 under \$100,000.....                | 1,977             | 94,603        | 263,165        | -44,254                   | 603              |
| \$100,000 under \$250,000.....          | 2,945             | 497,700       | 1,315,669      | 35,499                    | 11,504           |
| \$250,000 under \$500,000.....          | 3,540             | 1,253,458     | 3,257,183      | 15,595                    | 21,618           |
| \$500,000 under \$1,000,000.....        | 5,655             | 4,150,271     | 9,169,711      | 147,395                   | 78,669           |
| \$1,000,000 under \$5,000,000.....      | 13,132            | 31,315,087    | 64,776,084     | 1,300,582                 | 771,321          |
| \$5,000,000 under \$10,000,000.....     | 4,127             | 28,986,893    | 49,482,781     | 1,299,781                 | 762,253          |
| \$10,000,000 under \$25,000,000.....    | 3,587             | 56,858,645    | 81,766,638     | 2,539,113                 | 1,461,054        |
| \$25,000,000 under \$50,000,000.....    | 1,808             | 64,393,821    | 78,455,938     | 3,046,070                 | 1,588,439        |
| \$50,000,000 under \$100,000,000.....   | 1,292             | 91,158,336    | 97,669,512     | 3,485,376                 | 1,820,507        |
| \$100,000,000 under \$250,000,000.....  | 1,228             | 193,531,299   | 166,661,070    | 7,171,684                 | 3,733,476        |
| \$250,000,000 or more.....              | 1,475             | 2,507,420,352 | 1,450,990,130  | 106,215,401               | 49,728,711       |
| <b>Nonconsolidated Returns</b>          |                   |               |                |                           |                  |
| Total.....                              | 2,040,799         | 1,741,278,205 | 1,623,519,813  | 59,998,342                | 23,175,595       |
| Zero assets.....                        | 64,239            | -             | 20,164,731     | 99,206                    | 329,148          |
| \$1 under \$100,000.....                | 1,128,645         | 38,175,086    | 138,891,287    | 676,043                   | 471,424          |
| \$100,000 under \$250,000.....          | 386,207           | 61,607,866    | 140,001,375    | 3,040,657                 | 809,507          |
| \$250,000 under \$500,000.....          | 210,742           | 74,490,857    | 162,533,468    | 3,791,006                 | 1,056,000        |
| \$500,000 under \$1,000,000.....        | 124,545           | 86,640,988    | 191,671,875    | 4,796,596                 | 1,598,175        |
| \$1,000,000 under \$5,000,000.....      | 97,469            | 190,585,044   | 378,412,560    | 11,528,420                | 4,825,154        |
| \$5,000,000 under \$10,000,000.....     | 11,609            | 81,387,338    | 102,880,241    | 4,380,268                 | 1,915,013        |
| \$10,000,000 under \$25,000,000.....    | 9,322             | 147,838,093   | 94,645,379     | 5,079,635                 | 2,030,577        |
| \$25,000,000 under \$50,000,000.....    | 4,203             | 146,160,860   | 58,149,844     | 3,712,880                 | 1,442,487        |
| \$50,000,000 under \$100,000,000.....   | 2,129             | 146,491,467   | 47,969,260     | 3,081,075                 | 1,106,634        |
| \$100,000,000 under \$250,000,000.....  | 1,114             | 170,276,236   | 60,309,022     | 4,272,669                 | 1,562,150        |
| \$250,000,000 or more.....              | 575               | 597,624,370   | 227,890,771    | 15,539,887                | 6,029,326        |

NOTE: Classification by size was based on amounts rounded to thousands of dollars prior to tabulation.  
See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

The following explanations include definitions and limitations of terms used, and adjustments made in preparing the statistics. These explanations are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or policies. Code sections cited were those in effect for 1976. Whenever a year is cited, it refers to the calendar year, unless otherwise stated.

## Accounting Periods

Among the several classifications used in this report, tax return data are classified according to the accounting periods used by corporations. For a detailed discussion of this classification, see Time Period Employed in section 1.

## Accounts and Notes Payable

This item consisted of accounts payable and mortgages, notes, and bonds payable in less than one year. Each is described separately under its own heading, below.

## Accounts Payable

Relatively short-term liabilities arising from the conduct of trade or business which were not secured by notes of indebtedness were generally included under this heading. Nontrade payables, on the other hand, were generally includable in the estimates for "Other Current Liabilities."

Banks and savings institutions may have reported deposits and withdrawable shares in accounts payable. When these amounts could be identified, they were transferred to "Other Current Liabilities."

## Additional Tax for Tax Preferences

Additional tax for tax preferences, the so-called "minimum tax," was intended to make possible the taxation, to some extent, of selected income and deduction items (described by law as "tax preferences") afforded special tax treatment in the computation of taxable income.

For the most part, the 15 percent (10 percent for tax years beginning before January 1, 1976) tax was levied on the sum of a corporation's tax preferences which exceeded \$10,000 (\$30,000 for tax years beginning before January 1, 1976) or the current-year income tax reduced by foreign tax credit, investment credit, U.S. possessions tax credit, and work incentive (WIN) credit. The carryover of regular taxes as an offset to preference income was discontinued (except for taxes due to income from timber) for tax years beginning after June 30, 1976.

Items included as tax preferences were: (1) accelerated depreciation (depreciation in excess of the amount computed under the straight-line method allowed on personal property subject to a net lease, low-income rental housing, and other real property); (2) amortization (special rapid write-offs in excess of what otherwise would have been a depreciation deduc-

tion under Code section 167 for certified pollution control facilities, railroad rolling stock, on-the-job training facilities, and child care facilities); (3) reserves for losses on bad debts of financial institutions (additions to reserves for bad debts in excess of actual bad debt losses, based on prescribed rules); (4) depletion (depletion deduction in excess of the cost or other basis of the property, reduced by depletion taken in prior years); (5) capital gains (net long-term capital gain in excess of net short-term capital loss when this amount was taxed at the special lower capital gains rate; the preference item was the excess net long-term gain multiplied by a ratio of the regular tax rate of 48 percent less the rate applicable to capital gains, generally 30 percent for 1976, to the regular corporate rate of 48 percent); and (6) intangible drilling costs. Tax preferences for "accelerated depreciation subject to a lease" and "intangible drilling costs" were not applicable to corporations other than Small Business Corporations electing to be taxed through their stockholders and Personal Holding Companies.

The Tax Reform Act of 1976 also provided special rules for timber income of corporations. These rules had the effect of virtually eliminating such income from the increase in tax due to the changes in rates of taxation. See also the discussion in the Changes in Law in section 2.

In general, all corporations were liable for the additional tax. However, regulated investment companies and real estate investment trusts were subject to the tax only on amounts attributable to tax preferences not passed through to their stockholders for taxation. Small Business Corporations electing to be taxed through their stockholders were liable for the additional tax only on certain capital gains, on accelerated depreciation subject to a lease and on intangible drilling costs. All other items of tax preference for these corporations were passed on to the stockholders for taxation.

In addition, members of a controlled group of corporations filing separate returns were required to apportion a single \$10,000 statutory exclusion among the members of the group either equally or based on a plan adopted for all members. However, members that were Domestic International Sales Corporations (DISC's) were not subject to the additional tax for tax preferences.

## Advertising

Advertising expenses were allowable as a deduction under Code section 162, if they were ordinary and necessary and bore a reasonable relation to the trade or business of the corporation. The amount shown in the statistics includes advertising identified as a cost of sales and operations as well as advertising reported separately as a business deduction.

The types of expenditures covered by the advertising deduction may have varied somewhat from company to company and a few companies did not separately

identify advertising when it was included in the cost of sales and operations. In addition, certain kinds of advertising expenditures, such as for billboards, were capitalized and recovered only as part of depreciation. For these reasons, a more definitive explanation of the advertising deduction statistics is not possible.

#### Allowance for Bad Debts

Most corporations identified on their balance sheet the allowance or reserve set aside to cover uncollectible or doubtful notes, accounts, and loans as an adjustment to notes and accounts receivable. A few corporations, however, reported only net receivables and, thus, did not show their allowance for bad debts. In addition, tax return balance sheets used by life and certain mutual insurance companies did not require the allowance to be reported. Both the statistics for the allowance and for the gross amount of "Notes and Accounts Receivable" are understated by these unidentified amounts.

Since corporation tax return balance sheets did not provide for the separate reporting of reserves for uncollectible mortgage and real estate loans, many banks and savings and loan associations may have included the item in the allowance for bad debts. If, on the other hand, these reserves were reported in supporting schedules, they were later added to the allowance for bad debts during statistical processing.

#### Amortization

Amortization was a deduction for recovery of certain expenditures over a certain period of time in a manner similar to straight-line depreciation. Typically, the period of time over which the expenditure was written off was much shorter than if depreciation had been used; often, depending on the specific provision of the law, the period of time was only 60 months. The following types of amortization, applicable to the statistics in this report, were specifically mentioned in the Code as allowable deductions:

- bond premiums (section 171)
- child care facilities (section 188)
- coal mine safety equipment (section 187)
- lessee's improvements to leased property (section 178)
- on-the-job training facilities (section 188)
- organizational expenditures of corporations (section 248)
- pollution control facilities (section 169)
- railroad rolling stock (section 184)
- railroad tunnel bores and grading (section 185)
- research and experimental expenditures (section 174)
- trademark and trade name expenditures (section 177).

Of these, amortization of leasehold improvements was frequently reportable as depreciation and amortization of bond premiums (as well as of such other financial items as loan or mortgage costs) was often reported as part of "other deductions." Write-offs of patents, copyrights, and other intangibles were usually included in depreciation. None of these amounts involved rapid write-offs of the assets concerned. Therefore, in order to confine the statistics insofar as possible to rapid write-offs, identifiable amounts reported as amortization that related to leasehold improvements, bond premiums (or other financial items), and intangible assets, and, in addition, to depreciable assets other than those eligible for rapid amortization, were transferred to depreciation or "other deductions," as appropriate. (See also, "Depreciation" and "Other Deductions.")

The amounts shown in the statistics include any identifiable amortization (as described above) reported as part of the cost of sales and operations.

See also, "Additional Tax for Tax Preferences."

#### Annual Returns

Annual or calendar year returns were those filed for the 12-month period beginning in January and ending in December. Most of the larger corporations filed for this period. Figure B in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

#### Bad Debts

Bad debts occurring during the year, or a reasonable addition to an allowance or reserve for bad debts, were allowable as a deduction under Code section 166.

Commercial banks, mutual savings banks, savings and loan associations, small business investment companies and other financial institutions were permitted to take a deduction for a reasonable addition to their bad debt balance which was far greater than that allowed other businesses. Unlike other businesses, which could deduct additions to their reserves only to the extent justified by their actual loss experience, these financial institutions could elect to increase their reserves based on percentages of outstanding loans. However, certain restrictions were introduced in 1969 to begin to bring these institutions in line with other businesses.

For commercial banks, beginning in 1969, deductible additions to the reserves were to decrease in three transitional steps. These steps were to be completed by 1988, at which time the deduction would have to be based on actual losses for the current and 5 preceding years, the same as for other businesses. The first transitional step, for years before 1976, reduced the percentage for eligible loans outstanding used as the basis for the deduction from 2.4 to 1.8 percent. For 1976, the percentage was 1.2 percent.

For small business investment companies, deductions for additions to the reserves, using an industry average as the norm, were permitted during the first 10 years of a company's existence. Thereafter, additions to the reserves had to be based on its own experience.

For mutual savings banks, savings and loan associations, and cooperative banks, the deduction was based on a percentage of an adjusted taxable income figure before reduction by the bad debts deduction, provided it did not increase the reserve beyond 6 percent of qualifying loans. The percentage was to decrease from 60 to 40 over a 10-year period, in general, starting with 1970. For 1976, the percentage was 43.

For banks and other financial institutions, corporate or government debts evidenced by certain bonds which became worthless during the year were chargeable as bad debts under Code section 582. For other corporations, such losses were subject to the special capital gain or loss provisions of the law. See the explanation for "Net Capital Gains" in this section.

Recoveries of bad debts previously deducted by corporations which used the reserve method were netted against the year's bad debts deduction. However, amounts of recovered bad debts reported by corporations which deducted actual bad debts were included in "Other Receipts."

See also "Additional Tax for Tax Preferences."

#### Book Net Income (or Deficit)

This was the after-tax profits as reported in tax return schedules reconciling income per books of account with income per Internal Revenue Code (see

Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 6 of this report), or in the case of most insurance companies, from the annual statements filed with the return.

For the most part, tax law provisions agree with accepted accounting practices and recognize the application of general accounting principles to the conditions and practices of a particular trade or business. However, for certain kinds of income, deductions, or transactions, the law allowed or required special accounting that digressed from generally accepted accounting methods.

Four fundamental reasons account for most of the disparity between tax and book profits: (1) different bases, or accounting values, assigned to property which, for example, affect the size of depreciation or gain or loss when the property is sold; (2) different definitions of numerous components, e.g., depreciation, depletion, and bad debt losses; (3) accounting differences in timing the receipt of income and the expensing of deductions, e.g., installment sales, income from construction contracts, prepaid income or anticipated future losses or expenses, income from foreign subsidiaries and expenses typically capitalized on the books but expensed on the tax return (e.g., intangible drilling costs), or vice versa; and (4) recognition of certain income and deductions for tax purposes only, e.g., the foreign dividend income resulting from foreign taxes deemed paid, or for book purposes only, e.g., interest on State and local Government obligations, lobbying expenses, and certain undistributed profits of foreign subsidiaries.

The data shown are subject to certain limitations. Although all corporations were required to provide data for a reconciliation of profits, some did not include them in their tax returns as originally filed, while others provided them in schedules of their own design from which total book net income could not always be determined. This last group included those consolidated returns in which book net income was shown separately for each affiliated corporation, but the consolidated net income after reduction by intercompany transactions was not shown. (See "Consolidated Returns" in this section.) Also, net income for tax purposes is likely to be more uniformly determined than net income for book purposes because of the necessity to conform to provisions of the Internal Revenue Code, although complete uniformity is lacking because of the various elections, special treatments, and other provisions in the law.

In addition, book net income was calculated after taxes were deducted. The income tax liability reported on the tax return often differs from the book amount because of the several methods of accounting for taxes on the books. The statistics may be slightly overstated depending on how parent corporations accounted for the earnings of their nonconsolidated subsidiaries. Duplication resulted when the parent reported its equity in subsidiaries in its book net income and the subsidiaries then also reported their individual book net incomes on their own returns.

On an historical basis, both book and net income are affected by changes in accounting practices by particular companies, in generally accepted accounting principles, and in tax law. Moreover, because more definitive measures of the differences between tax and book profits are not available, there is no way of knowing how much of the difference is permanent (because of different definitions) or only temporary (timing differences would be expected to "wash out" over a number of years).

### Business Receipts

Business receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances.

Business receipts included rents reported as a principal business income by real estate operators and by certain types of manufacturing, public utility, and service corporations. The latter corporations included manufacturers that frequently rented products rather than sold them, such as automatic data processing equipment; lessors of public utility facilities, such as docks, warehouses, and pipelines; and companies engaged in rental services, such as the rental of automobiles or clothing.

Some corporations treated sales taxes and excise and related taxes which were included in the sales price of their products as part of their gross receipts from sales; others reported their receipts after adjustment for these taxes. When treated as receipts, sales taxes and excise and related taxes were deducted on the tax return as part of the cost of sales and operations or were included in the separately itemized deduction for taxes paid. In any case, the receipts as reported by the taxpayer were included in the statistics. See also, "Cost of Sales and Operations" and "Taxes Paid."

In the finance, insurance, and real estate industries, business receipts included such banking items as fees, commissions, trust department earnings, exchange collections, discounts, and service charges, when identified in schedules attached to the return. Business receipts also included interest which could not be separately identified as such. (Interest, the principal operating income of banking and savings institutions, is shown separately in the statistics under "Other Interest" and is, therefore, excluded from business receipts.) Special statistical treatment was required for the few banking institutions which reported the purchase and sale of Federal funds as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid by the banking institutions for these funds was excluded from the "Cost of Sales and Operations" and a corresponding amount was excluded from business receipts.

Also in the finance, insurance, and real estate industries, premium income of most insurance companies was included in business receipts. However, certain mutual insurance companies with total receipts of less than \$500,000 were not required to report premium income. Therefore, total business receipts for insurance carriers are slightly understated.

Generally, in the finance, insurance, and real estate industries, income from investments, when identified in schedules attached to the return, was allocated to one of the specific types of investment income for which statistics are shown separately. Rent reported by real estate operators, however, was accepted as business receipts.

Business receipts reported by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders, required special statistical treatment. For these operations, net profit or loss from the sale of stocks, commodities, or real estate, when identifiable, was allocated to the statistics for net gain or loss from sales or exchanges of noncapital assets. If the corporation reported both business receipts and cost of sales and operations without identifying the source, and the cost of sales and operations was 50 percent or more of the business receipts, the items were considered to include stock, commodity, or

real estate transactions and only the net gain or loss was used for the statistics. Otherwise, business receipts for these companies were used as reported and included commissions and service fees.

For Domestic International Sales Corporations (DISC's), business receipts included only "qualified" export receipts, i.e., the sum of (1) gross receipts from noncommission sales of export property, leasing or renting of export property, services related and subsidiary to a qualified export sale or lease, engineering and architectural services, and export management services, and (2) commissions earned by DISC's acting as commission agents for someone else (rather than the gross receipts on which the commissions were earned). In other words, "qualified" receipts were those which were considered to be export-related and as such were the only receipts included in the statistics for business receipts. Receipts not considered to be export-related (i.e., "nonqualified" receipts) were included in "Other Receipts."

In addition to the income types described above which were uniquely treated by law, by the tax return, or for the statistics, there were certain other kinds of income from sales and operations that are not reflected in business receipts. In general, this income was included as part of the much broader category, sales of property used in trade or business.

For additional information about this income, see "Net Capital Gains" and "Net Gain (or Loss), Non-capital Assets."

#### Capital Stock

This end-of-year balance sheet liability item included amounts shown for outstanding shares of both common and preferred stock.

#### Cash

This balance sheet asset item included the amount of actual money or instruments and claims which were usable and acceptable as money on hand at the end of the taxable year.

For Domestic International Sales Corporations (DISC's), this item was the sum of the following accounts shown separately on the tax return: working capital (i.e., cash and necessary temporary investments) and funds awaiting investment (i.e., cash in U.S. banks in excess of working capital needed to acquire other qualified assets).

#### Compensation of Officers

Salaries, wages, stock bonuses, bonds, and other forms of compensation were included in this deduction item if they were identified as having been paid to officers for personal services rendered. Understatement was possible to the extent compensation was reported as part of another deduction item (such as an overall employee compensation figure) and, if not clearly identified, was included in the statistics for "Cost of Sales and Operations" or "Other Deductions."

#### Consolidated Returns

Consolidated returns were income tax returns which contained the combined financial data of two or more corporations meeting the following requirements: (1) a common parent corporation owned at least 80 percent of the voting power of all classes of stock and at least 80 percent of each class of nonvoting stock (except stock which was limited and preferred as to dividends) of at least one member of the group, and (2) these same proportions of stock of each other member of the group were owned within the group.

Corporations electing to file consolidated returns in one year had to file consolidated returns in subsequent years, with certain exceptions. The consolidated filing privilege could be granted to all affiliated domestic corporations connected through stock ownership with a common parent corporation except: (1) regulated investment companies, (2) real estate investment trusts, (3) corporations deriving a large percentage of their gross income from sources within a U.S. possession, (4) corporations designated tax-exempt under Code section 501, (5) China Trade Act corporations, and (6) Domestic International Sales Corporations (DISC's). Affiliated insurance companies were allowed to file a consolidated return if they were taxable under the same provisions of the Code; however, noninsurance companies with which they also may have been affiliated could not be included in the same return.

A consolidated return, filed by the common parent company, was treated as a unit, each statistical classification being determined on the basis of the combined data of the affiliated group. Therefore, filing changes to or from a consolidated return basis affect year-to-year comparability of certain statistics (such as data classified by industry and size of total assets).

#### Constructive Taxable Income from Related Foreign Corporations

This represented the sum of (1) "Includable Income from Controlled Foreign Corporations" and (2) "Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid." Each of these items is discussed under separate headings.

#### Contributions or Gifts

Contributions or gifts to charitable, religious, educational, and similar organizations were deductible under Code sections 170, 809, and 882. In general, the deduction was limited to 5 percent of net income computed without regard to this deduction; certain additional adjustments were required in the case of life insurance companies. Amounts contributed in excess of this limitation during the 5 preceding years could be carried forward and included in the current-year's deduction as long as the sum of the current-year contributions and the amounts carried forward did not exceed the limitation based on current-year income. The excess was again carried forward until the 5-year carryover period expired. The amounts shown for 1976, therefore, include some contributions actually made in previous years, and exclude some contributions made in 1976 which exceeded the current-year 5-percent limitation. These excess contributions were then carried forward.

#### Cost of Property Used for Investment Credit

Amounts included under this heading are estimates for the total cost or basis of depreciable property (defined in Code section 48 and described under "Investment Credit" in this section) reported in connection with the computation of the investment credit. Only property with a useful life of 3 years or more was eligible for investment credit treatment.

Although corporations generally reported their investments at cost, most corporations claiming the investment credit for leased property used the fair market value instead.

The statistics include amounts reported but not used for the computation of the investment credit. A limitation of \$100,000, for instance, was placed on the amount of used property which could be taken into account in the computation of the credit. (See the

discussion in the Changes in Law in section 2.) Also included were amounts which were ultimately used in the computation of the credit by end-of-the-year stockholders of Small Business Corporations electing to be taxed through those stockholders.

#### Cost of Sales and Operations

Cost of sales and operations generally included the direct costs incurred by the corporation in producing goods or providing services. Included were cost of materials used in manufacturing, cost of goods purchased for resale, direct labor, and certain overhead expenses, such as rent, utilities, supplies, maintenance, and repairs.

Corporations with manufacturing or production operations were required to compute taxable income in accordance with the "full absorption" method of inventory costing as prescribed by the income tax regulations. In general, under full absorption costing, certain indirect production costs as well as direct production costs were allocated to goods produced during the taxable year, whether included as costs of the taxable year or as inventory at the close of the year determined in accordance with the corporation's method of identifying goods in inventory. In determining inventory costs, indirect production costs were either: (1) always included, such as for repairs, indirect labor, and indirect materials and supplies; (2) not required to be included, such as for marketing expenses, selling or other distribution expenses, and interest; or (3) included or excluded from the cost of sales and operations dependent upon how such costs were treated in the corporation's books of account. These costs included insurance costs, taxes paid, and depletion expenses. Thus, the statistics also include certain indirect production costs reported by corporations as a cost of sales.

Corporations not using the full absorption method before September 19, 1973, had to change to that method. Corporations which made the election during the first 180 days of any taxable year beginning after September 18, 1973, and before November 29, 1975, could prorate any inventoriable costing adjustments over a period designated by the corporation at the time of the election, starting with the year of the transition. The transition period could not exceed the lesser of 10 taxable years or the number of years for which the prior inventory costing method was used. Corporations which switched after the transition period were not eligible to use the transitional rules. These inventory costing adjustments were included in the statistics for the income or deduction items in which they were reported by the corporation.

Included in cost of sales were costs incurred by Domestic International Sales Corporations (DISC's) for warehousing (which could include rental warehouse facilities, labor, heat and power) of export-related articles.

Sales taxes and excise and related taxes may have been reported in cost of goods sold schedules when corporations treated these taxes as part of the sales price of products. When taxes were identified in cost of goods sold schedules, they were added to the statistics shown for the separate deduction for "Taxes Paid." Similarly, expenses for depreciation, depletion, amortization, rent of buildings or real estate, advertising, contributions to pension plans, and contributions to employee benefit programs, whether direct or indirect costs in the case of corporations with manufacturing or production operations, were transferred to their respective deduction categories when identified in cost of goods sold schedules.

The income or loss from sales of securities, commodities, or real estate by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders was transferred from business receipts, and the net profit or loss from these transactions included in net gain or loss from sales or exchanges of noncapital assets. Special statistical treatment was also required for the few banking institutions which traded certain securities "on their own account" and which reported the purchase and sale of the securities as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid for these securities was excluded from cost of sales and operations and a corresponding amount was excluded from business receipts. Therefore, the cost of such sales was excluded from the statistics. (See also, "Business Receipts.")

#### Cost of Treasury Stock

This item was the total value of issued common or preferred stock, which had been reacquired and was held at the end of the accounting year by the issuing corporations. The stock, which was available again for resale or cancellation, may have been purchased by the corporation or acquired through donation or as settlement of a debt. Treasury stock was not a part of capital stock outstanding and did not include unissued capital stock.

The amounts shown may be somewhat understated. Treasury stock intended for resale may have been reported as an asset on some tax returns and if not clearly identified as for resale, would have been included in the statistics for "Other Investments." When identified, though, such stock was transferred to the statistics for "Cost of Treasury Stock."

#### Credit for Tax Paid by Regulated Investment Companies

Regulated investment companies were required to pay a tax (at long-term capital gains rate) on amounts of undistributed net long-term capital gain less net short-term capital loss. Stockholder corporations, for their part, were required to include in the computation of their long-term capital gains any such gains designated by the parent as undistributed dividends. The stockholder corporations were then deemed to have paid the tax on the undistributed long-term capital gain dividends and were allowed a credit (or a refund) for the tax they were deemed to have paid. It is this credit which comprises this item.

#### Credit for Tax on Special Fuels, Nonhighway Gasoline and Lubricating Oil

Section 39 of the Code allowed a credit in full or in stated amounts for excise taxes on:

- (1) gasoline used on farms for farming purposes,
- (2) gasoline used for nonhighway purposes or by local transit systems,
- (3) lubricating oil used for nonhighway purposes, and
- (4) noncommercial aviation fuels which were resold during the taxable year.

These taxes could be applied as a credit against income tax liability as an alternative to having the taxes refunded directly.

#### Depletable Assets

Depletable assets represented, in general, the gross end-of-year value of mineral property, oil and gas wells, other natural deposits, standing timber, intangible development and drilling costs capitalized,

and leases and leaseholds, each subject to depletion. Accumulated depletion represented the cumulative adjustment to these assets shown on the corporation's books of account. In some instances, depletable assets may have been included with "Depreciable Assets," or may have been reported as land or as "other investments" by the taxpayer, and could not be identified for this report.

The value of depletable assets and accumulated depletion may not be closely related to the current-year depletion deduction. The depletable assets and accumulated depletion balance sheet accounts reflected book values; the depletion reflected the amount claimed for tax purposes.

### Depletion

This deduction was allowed for the exhaustion of natural deposits and timber. For standing timber, depletion was computed on the basis of cost. In the case of natural deposits, the depletion could be computed either on the basis of cost or upon a fixed percentage of the gross income, less rents and royalties, from the depletable property. Generally, for gas and oil wells the gross income was the actual sales price, or representative market or field price if the gas or oil was later converted or manufactured prior to sale. For other natural deposits, gross income was the gross income from mining, defined to include extractive and certain treatment processes. Also included as gross income were exploration expenditures, previously deducted, that were required under provisions of Code section 617 to be recaptured when the mine reached the production stage.

Under elective provisions of the Code, exploration and development expenditures connected with certain domestic natural deposits (except gas and oil) could be deducted currently, treated as deferred expenses, or capitalized. The write-offs of amounts deferred or capitalized were not included as part of depletion.

Percentage depletion, though based on percentages of gross income from depletable property, was limited. Generally, it could not exceed 50 percent of the net income from the depletion deduction. Percentage rates of gross income for each type of natural deposit were listed in Code section 613 and ranged from 5 to 22 percent.

The 22 percent depletion rate for oil and gas wells applied only to domestic crude oil and domestic natural gas. Specifically covered were: (1) regulated natural gas, (2) natural gas sold under a fixed contract, (3) any geothermal steam deposit in the United States or a U.S. possession which was determined to be a gas well according to Code section 613, and (4) small (independent) producers and royalty owners. The depletion rate applicable under the first three exceptions was 22 percent of gross income from the property, less rents and royalties paid, limited to 50 percent of the net income from the property before the depletion deduction. The limitation in the case of small (independent) producers and royalty owners was 65 percent of net income from all sources. If the 65 percent limitation caused an amount to be disallowed for a taxable year, the disallowed portion could be carried over to the next year for inclusion in the depletion deduction, provided it was within the limitation for that year.

Crude oil refiners and retailers that processed daily more than 50,000 barrels of crude oil and certain retailers of oil, natural gas or any of their derivative products were specifically denied the use of the percentage depletion allowance. Retailers were defined for this purpose as those that sold such products through retail outlets they operated, or to any person who was obligated to sell under the taxpayer's trademark or permitted to operate one of the retailer's outlets. The Tax Reform Act of 1976 made

several changes in the definition of retailers by excluding the following types of retail sales for which percentage depletion was otherwise denied: (1) direct bulk sales of oil or natural gas to industrial or commercial users, (2) sales of oil, natural gas or any of their derivative products when gross receipts for a taxable year were less than \$5 million, and (3) sales by retail outlets of oil, natural gas or any of their derivative products, made outside the United States, if none of corporation's domestic production was exported during the taxable year or the immediately preceding taxable year.

For 1976, the depletion rate for oil and gas covered under the small (independent) producer and royalty owners was 22 percent of the maximum daily average of 1,800 barrels. In subsequent years through 1980, the maximum daily average was to be phased down by 200 barrels a year to 1,000 barrels, where it was to remain. The law also provided for reduction of the depletion rate in certain later years for these same taxpayers.

The amounts shown in the statistics include any identifiable depletion reported as part of the cost of sales and operations.

See also, "Additional Tax for Tax Preferences."

### Depreciable Assets

Depreciable assets, reported on the corporation's end-of-year balance sheet, consisted of tangible property (such as buildings and equipment) which was used in the trade or business or held for the production of income and which had a useful life of 1 year or more. The statistics for this item could include fully depreciated assets still in use and partially completed assets for which no deduction was allowed when the corporation reported them as depreciable in its balance sheet. The statistics for depreciable assets exclude those intangible assets which were depreciable or amortizable only for tax purposes. Such assets, patents and copyrights for example, were includable in "Intangible Assets." The amounts shown as accumulated depreciation represent the portion of the assets that were written off in the current year, as well as in prior years.

The amounts shown for depreciable assets are, in general, the gross amounts before adjustments for depreciation or amortization charged in current and prior years. Some corporations, however, reported only the net amount of depreciable assets after adjusting for these depreciation or amortization charges. Among the corporations reporting only a net amount of depreciable assets were many insurance carriers reporting balance sheet information in the format required by State insurance regulations. This format usually provided for the reporting of only net depreciable assets and only the home and branch office buildings and equipment were included. Other real estate holdings of these corporations were reported as "other investments."

The value of depreciable assets and accumulated depreciation may not be closely related to the current-year depreciation deduction. The depreciable assets and accumulated depreciation balance sheet accounts reflected book values; the depreciation deduction reflected the amount claimed for tax purposes.

### Depreciation

Depreciation deducted as a reasonable allowance for the exhaustion, wear and tear, and obsolescence of business property was allowable under Code section 167. A deduction for depreciation was not allowable on inventories, or land apart from the physical improvements or developments added to it.

Several methods of computation could have been used in determining the deduction for the year. A common method was straight-line, whereby an equal amount of depreciation is deducted in each year of the useful life of the asset. The declining balance and the sum-of-the-years-digits methods, whereby a larger portion of the asset's cost is written off during the earlier years of its life than during its later years, were also commonly used. Accelerated methods of depreciation were restricted for public utilities and certain kinds of real property.

Property lives could be based either on the corporation's own experience, asset-by-asset, or on the Class Life Asset Depreciation Range (CLADR) system which provided for generally shorter than average lives. See also, "Depreciation Under Class Life Asset Depreciation Range (CLADR) System."

Amounts shown as depreciation include any identifiable depreciation reported in schedules in support of the cost of sales and operations. Also included as depreciation were amounts deducted on leasehold improvements, patents, and copyrights, small amounts of additional first-year depreciation allowed under Code section 179, and, beginning with 1976, amounts deducted for prepublication expenditures by corporations in the printing and publishing industries.

To comply with the definition of depreciation under the Internal Revenue Code, so-called amortization on station connections in the communications industry and of capitalized film production costs in the motion picture industry reported elsewhere in the return were also included in the statistics.

See also, "Additional Tax for Tax Preferences."

#### Depreciation Under Class Life Asset Depreciation Range (CLADR) System

Starting with 1971, the CLADR system was introduced as a new method of depreciating assets acquired during a given year. This was an elective method that enabled a corporation, on an annual basis, to group eligible assets into categories, called guideline classes. The corporation was then allowed to depreciate all assets in a class over a prescribed period of time, called a class life.

In general, a guideline class included assets grouped, regardless of their composition, according to the industrial activity (broadly defined) in which they were used in the year they were acquired. However, in the case of certain property types in general use, the asset classifications cut across industry lines. Also, leased property was classified according to the use made of it by the lessee (unless there was a class in effect for the lessor of such property or unless the class was based on a type of property rather than on the activity in which the property was used).

Principal changes in the system applicable to corporations for 1976 were the prescription of new or revised asset guideline classes and lives for assets used (1) in the manufacture of various textile products, (2) for air transportation, and (3) for certain electric utility activities.

For most assets, class lives could be increased or decreased by up to 20 percent at the corporation's option and use of them was unrelated to past replacement and retirement practices. This range was not allowed in the case of buildings, land improvements, or assets used outside the United States. Within a class, assets could be further grouped into one or more "vintage accounts" depending, for example, on the depreciation method used (in this way, property in a given class that was being depreciated by an unacceptable method could effectively be excluded from the system), or in order to make the required separation of depreciable real property and all other depreciable property.

Under the CLADR system, corporations were required to use either the straight-line, sum-of-the-years-digits, or double declining balance depreciation methods for new property. In the case of used property, only the straight-line or 150-percent declining balance methods could be used. (See "Depreciation" in this section.)

In computing the depreciation deduction under the CLADR system, salvage value was not considered although no "vintage account" could be depreciated below a reasonable salvage value.

In using the system, corporations had a choice between assuming all acquisitions in a year were placed in service at the beginning of the second half of the taxable year, or that all acquisitions in the first half of the year were placed in service at the beginning of the year and all acquisitions in the second half of the year were placed in service at the beginning of the following year. The subsequent year's depreciation was computed as if all acquisitions were made at mid-year.

There were certain limitations and exceptions in using the CLADR system. Although all corporations could use CLADR, public utilities using accelerated depreciation methods could do so only if the resulting tax benefit was used as a source of working capital and not as a means of lowering rates to consumers. Also, certain property types could be excluded from the CLADR system, for example, used property (under special conditions). Other types were required to be excluded, for example, property for which there was no appropriate class, property for which depreciation was not based on the useful life concept, and property for which 60-month rapid amortization had been elected in lieu of depreciation.

In addition, certain other property could be excluded from the CLADR system under special provisions for depreciable real property and "subsidiary assets" (described below) placed in service before the earlier of (1) 1974 or (2) the effective date of the asset guideline classes established for such depreciable real property and "subsidiary assets." A corporation could exclude all or part of certain depreciable real property (Code section 1250 property) with a useful life shorter than the period authorized by the 1962 Depreciation Guidelines (briefly described below).

A corporation could also exclude all (but not less than all) "subsidiary assets" of a given guideline class if they comprised at least 3 percent of the unadjusted basis of the year's acquisitions in that class. Subsidiary assets included returnable containers and pallets, textile mill cam assemblies, and equipment such as jigs, dies, molds, and patterns, which were specifically designed to produce or process particular products and which could not be used after the particular products were modified. The definition of subsidiary assets also included "service assets" which tended to wear out, break, or disappear much faster than other assets. Glassware; silverware, including kitchen utensils; crockery; and linens were among the assets considered service assets.

In conjunction with the CLADR system, depreciation of assets placed in service prior to 1971 could be placed under a special guideline Class Life System (CLS) on an elective basis as an alternative to computing depreciation based on the corporation's own experience. The CLS consisted of the CLADR classes and lives but without the 20-percent ranges associated with them. This system could be used, regardless of whether the corporation had previously elected to use the Depreciation Guidelines in connection with pre-1971 acquisitions under Revenue Procedure 62-21. This previous procedure also encompassed the class life concept, but the lives (and any departures from them) had to be justified based on replacement and retirement practices using the depreciation "reserve

ratio test." The CLADR (and CLS) systems thus replaced and superseded the 1962 Depreciation Guidelines.

See also, "Consolidated Returns" and "Repairs" in this section.

#### Distributions to Stockholders

Distributions to stockholders consisted of the corporation's own stock, and of cash and other property, generally reported as part of the analysis of unappropriated retained earnings. Liquidating dividends, when identified, were excluded.

In those instances where a corporation reported only a single total for distributions to stockholders and did not identify these distributions as cash or stock or other property, that total was treated as a distribution to stockholders in cash and property other than in the company's own stock.

Regulated investment companies and real estate investment trusts could treat certain dividends paid after the close of their taxable year as distributions during the current taxable year. In a similar manner, for Small Business Corporations electing to be taxed through stockholders, distributions of money made within 2-1/2 months after the close of the taxable year were considered to be distributions of the corporation's undistributed taxable income of the preceding taxable year. Otherwise, the statistics do not include amounts taxed to stockholders in 1976, but which would not actually be distributed to them until a future year. Conversely, the statistics do include amounts taxed through stockholders in previous years, but which were not actually distributed until 1976.

For Domestic International Sales Corporations (DISC's), only amounts actually distributed (i.e., distributions that were made to meet the DISC qualification requirement under Code section 992, including "deficiency distributions" made after the close of the taxable year to avoid disqualifications as a DISC, or other actual distributions) were included in the statistics. Dividends which were not actually distributed, but rather deemed distributed under section 995, were excluded.

#### Dividends Received from Domestic Corporations

Dividends received from domestic corporations represented most distributions from current as well as accumulated earnings and profits of companies incorporated in the United States. (For a discussion of other distributions of domestic corporations, see "Other Receipts" in this section.) For the most part, dividends received from domestic corporations represented those recognized in computing the special deduction from net income for domestic intercorporate dividends received. (See also, "Statutory Special Deductions.")

Certain domestic dividends, although not deductible, were nevertheless included in dividends received from domestic corporations. These were dividends received by regulated investment companies, real estate investment trusts, and Small Business Corporations electing to be taxed through stockholders. Dividends from Domestic International Sales Corporations (DISC's) were also included as domestic dividends received, but were not deductible. Certain other dividends, not deductible, were treated for the statistics as "Other Receipts."

For most of the domestic dividends received, the deductible portion was equal to 85 percent (about 60 percent for dividends received on certain preferred stock of public utilities). However, a 100-percent deduction was allowed for dividends received by members of a controlled group from other members of the same controlled group when a consolidated return was not used to report for the group as a whole. This

deduction was allowed when the group did not elect to file a consolidated return and agreed instead to apportion a single surtax exemption among the group members in computing income tax.

Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts. For tax purposes, dividends reported on these returns represented amounts received from corporations that were outside the tax-defined affiliated group.

For a discussion of the dividends received from a DISC see "Domestic International Sales Corporation Returns."

#### Dividends Received from Foreign Corporations

These dividends were paid from current as well as accumulated earnings and profits of companies incorporated in foreign countries.

Dividends received from foreign corporations included:

(1) dividends, subject to the 85-percent deduction, received by U.S. corporations from those foreign corporations at least 50 percent or more of whose gross income was "effectively connected" with business conducted in the United States;

(2) dividends, subject to the 100-percent deduction, received by U.S. corporations from wholly-owned foreign subsidiaries all of whose gross income was "effectively connected" with the conduct of U.S. trade or business; and

(3) any other foreign dividends, not subject to a deduction, which included:

(a) "minimum distributions" on Controlled Foreign Corporation profits under subpart F of the Internal Revenue Code;

(b) certain gains from the sale, exchange, or redemption of Controlled Foreign Corporation stock; and

(c) foreign dividends received by Small Business Corporations electing to be taxed through stockholders.

Excluded from the dividend statistics was the "gross-up" of foreign taxes deemed paid on the profits from which the dividends of foreign subsidiaries were distributed. This was done even though "foreign dividend income resulting from foreign taxes deemed paid" (gross-up) was considered by law to be part of the dividends received. Dividends only constructively received from foreign subsidiaries reported on the tax returns as "includable income from Controlled Foreign Corporations," were also excluded. If these amounts were actually distributed at a later date, they were neither retaxed nor reported. For the statistics, both items were combined and shown under "Constructive Taxable Income from Related Foreign Corporations." Table 12, however, shows them separately.

The foreign dividend statistics presented in this report are subject to certain limitations. Some corporations reported certain foreign dividends as "includable income from Controlled Foreign Corporations," while others did the reverse, since both were reported in the schedule for dividends received. When identified, these amounts were treated as foreign dividends for the statistics. Also, some corporations included as foreign dividends the gross-up of dividends by foreign taxes paid or deemed paid ("foreign dividend income resulting from foreign taxes deemed paid"), while others did the reverse. Where these variations in taxpayer reporting were identified, the amounts were transferred to the correct item for the statistics.

Domestic International Sales Corporation Returns

Form 1120-DISC, Domestic International Sales Corporation Return, was filed by corporations which were established under the Revenue Act of 1971 in order to provide a system of tax deferral on profits derived from exports of U.S. goods and services.

The profits of DISC's were not taxed to the DISC's, but were instead taxed to the stockholders (mainly parent corporations) when distributed or deemed to be distributed to them. In general, for tax years beginning before December 31, 1975, under a tax deferral system, the stockholders of a DISC were deemed to receive an annual dividend equal to one-half of the DISC's taxable income. Under the Tax Reform Act of 1976, for taxable years beginning after December 31, 1975, a stockholder of a DISC was treated as having received a distribution taxable as a dividend equal to the stockholder's pro rata share of the sum of (1) 50 percent of the taxable income of the DISC for the year attributable to "military property," (described under "Total Amounts Deemed Distributed") (2) the taxable income for the taxable year attributable to "base period export gross receipts," (see the discussion under Changes in Law in section 1), and (3) the sum of: (a) one-half of the excess of the taxable income of the DISC for the taxable year, before reduction for any distributions during the year, over the sum of the amounts deemed distributed for the year under Code section 995, (b) an amount equal to (a) multiplied by the "international boycott factor," (see the discussion under Changes in Law in section 1), and (c) any illegal bribe, kickback, or other payment paid by or for the DISC to a representative of a foreign government. For this purpose, taxable income was the DISC's net income (less deficit) minus statutory special deductions. See "Tax Deferred Income and Income Taxable to Stockholders."

The amount deemed distributed was fully taxable to the stockholders. Income taxation was deferred on the remainder of the DISC's taxable income which was not deemed distributed until one of the following events occurred: (1) the income was actually distributed to the DISC's stockholders, (2) a stockholder disposed of the DISC stock, (3) the DISC was liquidated, or (4) the election to be treated as a DISC was terminated or revoked.

Corporate stockholders receiving DISC dividends were not permitted the intercorporate dividends received deduction. The dividends received deduction was designed to prevent multiple taxation of corporate earnings; consequently, as a DISC itself was not subject to taxation the dividends received deduction was not applicable.

Dividends (deemed or actual) paid by a DISC were treated as dividends from a foreign corporation to the extent the dividends were attributable to certain export receipts of the DISC. Thus, all stockholders could claim a foreign tax credit for any foreign taxes imposed on a DISC dividend.

To qualify as a DISC, a corporation must have been organized under the laws of any State or the District of Columbia, have only one class of stock, issued outstanding capital stock with a par or stated value of at least \$2,500, and satisfied the "gross receipts" and "gross assets" tests.

The gross receipts test required that at least 95 percent of the corporation's gross receipts consist of "qualified export receipts" (described under a separate heading). The gross assets test required that at least 95 percent of the corporation's assets be "qualified export assets."

In general, qualified export assets were inventories of "export property" (described under "Total Amounts Deemed Distributed"); necessary operational equipment and supplies; trade receivables from export sales (including commissions receivable); producer's

loans (i.e., loans of the DISC's profits to a U.S. export producer whether or not related to the DISC); working capital (i.e., cash and necessary temporary investments); investments in related foreign export corporations (including real property holding companies and associated foreign corporations); obligations issued, guaranteed, or insured by the Export-Import Bank or the Foreign Credit Insurance Association; and, obligations of the Private Export Funding Corporation.

A DISC which, for a taxable year, failed to satisfy the gross receipts test or the gross assets test, thereby failing to qualify as a DISC, could nevertheless satisfy these qualification requirements by making a "deficiency distribution" for such a year, whereby the DISC made a distribution to its stockholders after the close of the taxable year. The DISC, at this time, had to demonstrate that the failure to make these distributions prior to the close of the year was due to reasonable cause.

Additionally, to qualify as a DISC, a new or previously existing corporation had to file an election requesting to be treated as a DISC. For the election to be valid, all stockholders of the corporation on the first day of the election year must have consented in writing. The election remained valid unless the corporation revoked it or failed to qualify as a DISC for 5 consecutive years.

The types of corporate organizations not eligible to be treated as a DISC were: (1) tax-exempt corporations; (2) Personal Holding Companies; (3) banks and trust companies; (4) mutual and savings banks, domestic building and loan associations, and cooperative banks; (5) insurance companies; (6) regulated investment companies; (7) China Trade Act corporations; and (8) Small Business Corporations electing to be taxed through their stockholders.

A DISC usually acquired export property from its parent or an affiliated corporation ("related suppliers") and then sold the property abroad; however, it could act simply as a commission agent on export sales of related suppliers. The method used for allocating income between a DISC and its related suppliers was achieved through special intercompany pricing rules.

This allocation of income was affected to the extent that the DISC itself incurred "export promotion expenses" (i.e., the ordinary and necessary expenses incurred to obtain qualified export receipts). See the discussion of "Export Promotion Expenses" in this section.

For any taxable year in which a corporation was a DISC or in which at any time it owned, directly or indirectly, stock in a DISC or a former DISC, the corporation was not allowed to take the Western Hemisphere Trade Corporation deduction.

See the Changes in Law discussion in section 2 for "Domestic International Sales Corporations." For additional information regarding DISC's see Supplemental Reports, Statistics of Income, International Income and Taxes--Domestic International Sales Corporation Returns.

Employee Benefit Programs

Contributions made by employers to such plans as death plans, health plans, accident and sickness plans, and other welfare plans, were deductible under Code section 162. The statistics for this item include amounts identified in the cost of sales and operations schedules.

Estimated Tax Payments

Estimated tax payments were quarterly installments required if a corporation's income tax (including tax from recomputing prior-year investment and

work incentive (WIN) credits and additional tax for tax preferences) after foreign tax credit, U.S. possessions tax credit, investment credit, and work incentive (WIN) credit was reasonably expected to exceed the sum of the exemption from estimated tax under Code section 6154 and any payment credits such as for the Federal excise tax paid on special fuels, nonhighway gasoline, and lubricating oil. Estimated tax was the excess of the expected tax over the exemption.

The statutory exemption from estimated tax was gradually reduced from \$100,000 in 1967 to \$40 in 1977. The reduction was to be accomplished over two 5-year periods, 1968 through 1972 and 1973 through 1977.

During the first 5-year period, the total exemption was the sum of a "temporary exemption" plus a "transitional exemption." The temporary exemption during the 5-year period was \$5,500 (equal to the then 22 percent normal tax on the first \$25,000 of taxable income). The transitional exemption was the difference between the original \$100,000 exemption and the \$5,500 temporary exemption, decreased by 20 percent each year so that in 1968 it was \$75,600 (80 percent of the above difference) and so on, until in 1972, when it became zero.

During the second 5-year period, the total exemption was equal to the \$5,500 temporary exemption multiplied by an "applicable percentage." This "applicable percentage" was reduced by 20 each year until 1977, when it was to become zero. For purposes of the 1976 statistics, the total exemption was either \$1,100 for taxable years beginning in 1976 or zero for taxable years beginning in 1977.

Estimated tax payments shown in this report may be somewhat less than the legal maximum percentages of tax due because, under the provisions of Code section 6655, certain tolerances were allowed in the relationship of the installment payments to the tax (for example, a corporation was not required to pay an estimated tax greater than the amount of tax liability for the previous year provided that the corporation had a tax liability for the previous year). Besides the limitations based on law, payments shown in the statistics may be slightly understated because of taxpayer reporting variations and the inability to identify all of the amounts from the tax returns.

In Table 12, the sum of "1976 estimated tax payments" plus "1975 overpayments claimed as a credit" less "Refunds of estimated tax payments" does not equal "Estimated tax payments, net total." The difference is due to rounding of the data to thousands of dollars prior to tabulation.

See also, "Overpayments Claimed as a Credit," and "Refunds of Estimated Tax Payments."

#### Export Gross Receipts of All Other Related U.S. Persons

This amount was reported on Schedule N (Form 1120-DISC). Included were the export gross receipts of all related U.S. "persons", except related DISC's, derived outside the United States during whichever of their taxable years ended with or within the DISC's taxable year.

The types of gross receipts for related U.S. persons are the same as those described under the heading "Export Gross Receipts of the DISC" in this section. Understatement exists to the extent that some other DISC's reported only their own receipts and omitted those of related U.S. persons.

Related U.S. persons included: (1) individuals who were citizens or residents of the United States, and who controlled a DISC; (2) domestic partnerships, estates, or trusts that controlled a DISC; (3) domestic corporations that controlled a DISC;

and (4) domestic corporations that were controlled by the same person or persons that controlled a DISC. Control meant direct or indirect ownership of more than 50 percent of the voting stock of a DISC or other domestic corporation.

#### Export Gross Receipts of the DISC

This amount was reported on Schedule N (Form 1120-DISC), filed by Domestic International Sales Corporations. Only those qualified export receipts authorized under Code section 993 were included in this amount.

These receipts were the net sum of the following:

- (1) sales of "export property" (described under "Total Amounts Deemed Distributed");
- (2) leases or rentals of export property;
- (3) services in connection with any qualified sale, exchange, lease, or other disposition of export property;
- (4) engineering and architectural services for construction projects located (or proposed for location) outside the United States;
- (5) export management services for unrelated DISC's.

Because of different treatment of commissions and the transactions on which they were based for those DISC's that acted as commission agents, "export gross receipts of the DISC" are much larger than "Total Receipts" of DISC's as presented in the income statement statistics. For the income statement, only the commissions were reported; the associated transactions were not. For total transactions in which DISC's were involved (Schedule N), only the transactions, themselves, were reported; the associated commissions were not (although some DISC's reported the commissions instead of the transactions).

#### Export Promotion Expenses

In the statistics for Domestic International Sales Corporations (DISC's) these were expenses incurred to advance the distribution or sale of export property for use, consumption, or distribution outside of the United States, but did not include income taxes. (See Figure F.)

The following types of expenses were considered to be export promotion expenses:

- (1) the DISC's ordinary and necessary business expenses paid or incurred to obtain qualified export receipts,
- (2) depreciation of the property of the DISC,
- (3) one-half of the freight expenses (not including freight insurance) for shipping export property aboard U.S. flag vessels and U.S. owned and operated aircraft (except in cases where law or regulation required the use of such aircraft and vessels),
- (4) cost of packaging for export which were not physically integrated with the process of manufacturing, and
- (5) costs of designing and labeling packages exclusively for export markets.

Not included as export promotion expenses were interest expenses, bad debt expenses, income and franchise taxes, the cost of manufacture or assembly operations or any expenses which did not directly or indirectly further the distributions of export property for use abroad.

#### Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid

Foreign dividend income resulting from foreign taxes deemed paid related to certain foreign taxes on profits of companies which were 10 percent or more owned by domestic corporations. If dividends were

distributed to a domestic corporation (from these foreign profits), the domestic corporation was required to increase (or "gross-up") such dividends by a proportionate amount of the foreign taxes deemed paid on the foreign profits for which the domestic corporation claimed a foreign tax credit. See also, "Foreign Tax Credit."

The Tax Reform Act of 1976 provided that dividends from less developed country corporations (as formerly defined in Code section 955) be treated the same as dividends from other foreign corporations. Thus, the amount of the dividend was grossed-up by the amount of foreign taxes deemed paid on that dividend. The gross-up treatment for distributions of current income was generally effective for taxable years beginning after December 31, 1975. However, distributions made in taxable years beginning after December 31, 1975, and received by domestic corporations before January 1, 1978, were to be grossed-up only to the extent that the distributions were made from earnings and profits of the foreign corporation accumulated in taxable years beginning after December 31, 1975. Prior to the 1976 Act, only those dividends received from "developed country" corporations were required to be grossed-up.

Analysis of returns of some of the larger corporations revealed instances where amounts reported as foreign dividend income resulting from foreign taxes deemed paid were actually dividends received from foreign corporations, and instances where amounts reported as dividends received from foreign corporations were actually the gross-up of foreign taxes deemed paid. (Both of these items were reportable on the dividends received schedule of the income tax return.) If these amounts were so identified on supporting schedules they were transferred to the correct item for the statistics.

For all tables except table 12, foreign dividend income resulting from foreign taxes deemed paid is combined with "Includable Income from Controlled Foreign Corporations" and shown under the statistics for "Constructive Taxable Income from Related Foreign Corporations." Table 12 shows the items separately.

### Foreign Tax Credit

Code section 901 allowed a credit against the U.S. income tax for income, war profits and excess profits taxes paid or accrued to foreign countries or U.S. possessions. Credit was also allowed against the U.S. tax under sections 902 and 960 for foreign taxes "deemed paid." Foreign taxes included amounts paid by partnerships that were allocated directly to the partners (including those that were corporations) for their use as a credit (or a deduction, as described below).

The credit could be claimed by domestic corporations, and also by foreign corporations engaged in trade or business in the United States for foreign taxes on income "effectively connected" with the U.S. business.

However, the credit was not allowed for Small Business Corporations electing to be taxed through stockholders even when these corporations were taxed on certain capital gain income. These corporations had to deduct from gross income any foreign taxes they paid and could not pass them on to their stockholders for their use as a foreign tax credit. The credit was not allowed either for regulated investment companies which elected under Code section 853 to allow their stockholders to claim the credit for the foreign taxes paid by these companies. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, foreign tax credit was not applicable; however, DISC stockholders could claim a credit for foreign taxes paid by a DISC.

A corporation that claimed the foreign tax credit could not also claim a business deduction for foreign taxes paid. The U.S. income tax which could be reduced by the credit excluded the tax from recomputing prior-year investment credit, the tax from recomputing prior-year work incentive (WIN) credit, the additional tax for tax preferences, and the Personal Holding Company tax.

Under Code section 902, credit was allowed for foreign taxes deemed paid when a domestic corporation received a dividend from a foreign corporation in which it owned a 10-percent-or-more voting stock interest, for the taxes paid on the foreign corporation's profits out of which the dividends were paid. A portion of the taxes paid or accrued by the "first-tier" foreign corporation was deemed to have been paid by the domestic corporation. The taxes eligible for credit were determined based on the relationship between the foreign corporation's profits and the amount paid to the domestic corporation as dividends.

In addition, if the first-tier foreign corporation owned 10 percent or more of the voting stock of a "second-tier" foreign corporation from which it received a dividend, the first-tier foreign corporation was deemed to have paid a proportionate amount of the foreign taxes of the second-tier foreign corporation. In turn, the domestic corporation was deemed to have paid a portion of these same taxes. However, a foreign tax credit was not allowed unless the percentage of voting stock owned by the domestic corporation in the first-tier foreign corporation and the percentage of voting stock owned by the first-tier foreign corporation in the second-tier foreign corporation equalled at least 5 percent when multiplied together.

The second-tier foreign corporation was deemed to have paid a proportionate amount of the foreign taxes paid or accrued by a "third-tier" foreign corporation whenever it owned 10 percent or more of the voting stock of a third-tier foreign corporation from which it received a dividend, and the product of the following equalled at least 5 percent: the percentage of voting stock owned by the domestic corporation in the first-tier foreign corporation, the percentage of voting stock owned by the first-tier foreign corporation in the second-tier foreign corporation, and the percentage of voting stock owned by the second-tier foreign corporation in the third-tier foreign corporation. In turn, the first-tier foreign corporation and the domestic corporation were deemed to have paid a portion of these same taxes.

Credit computed the same way as that described above under Code section 902 was also allowed for taxes deemed paid on distributions constructively received from Controlled Foreign Corporations under section 960. The credit was allowed for these distributions if the domestic corporation owned 10 percent or more of the voting stock of the first-tier Controlled Foreign Corporation. However, if the first-tier Controlled Foreign Corporation received distributions from a second-tier foreign corporation, it was required to own at least 50 percent of that corporation's voting stock before it could include the taxes deemed paid of the second-tier foreign corporation in the computation of its own taxes deemed paid. No credit was allowed under section 960 for taxes deemed paid on distributions received from third-tier foreign corporations. Constructive distributions, i.e., distributions "deemed" but not "actually" received, are described under "Dividends Received from Foreign Corporations" and "Includable Income from Controlled Foreign Corporations."

In the case of taxes paid on "foreign mineral income," the foreign tax credit was reduced to the extent that (1) the foreign tax exceeded the U.S. income tax payable on such income and (2) the excess

was due to the lower profits recognized for U.S. tax purposes because of the deduction for percentage depletion. (See "Depletion.")

A special limitation of the foreign tax credit was prescribed for foreign taxes paid on "foreign oil and gas extraction income" and otherwise eligible for the credit. The taxes available for credit were limited to 50.4 percent of taxable income from foreign oil and gas extraction for taxable years ending in 1976 (and 48 percent for subsequent years under provisions of the Tax Reform Act of 1976). Taxes paid in excess of these limitations were not eligible for the foreign tax credit nor could they be claimed as a business deduction.

These special limitations were in addition to the general limitation on the credit. The Tax Reform Act of 1976 repealed the per-country limitation on the foreign tax credit and required corporations to compute the limitation using the overall method. This mandatory use of the overall method was generally effective for taxable years beginning after December 31, 1975, but a later effective date applied to income from U.S. possessions and certain mining companies. The separate limitation for interest income that was previously computed using the per-country method was required to be computed using the overall method.

Generally, income of all types from foreign sources could be combined for purposes of computing the foreign tax credit. However, for taxes paid in connection with certain interest income, the credit was computed separately. Additionally, for dividends received from DISC's that were attributed to certain export receipts (and were thereby regarded as foreign dividends), the foreign tax credit limitation was computed separately with respect to aggregate dividends received from all DISC's, and then to other foreign source income. Finally, corporations had to compute their foreign tax credit separately for foreign oil-related income, which included foreign oil and gas extraction income. Further, foreign oil-related losses were to be "recaptured" by treating future foreign oil-related income, (to the extent of such losses) as U.S. source income, and by a corresponding reduction in foreign taxes available for credit.

Foreign taxes in excess of the limitation for any one year could be carried back, chronologically, to the 2 preceding years and then carried over to the 5 succeeding years to reduce income tax, subject to the foreign tax credit limitation of the years to which they were carried. (Excess taxes carried back or carried over were applied against the amount by which a limitation exceeded the creditable foreign taxes in a given year.)

The Tax Reform Act of 1976 also established transitional rules for both the carryover and carryback of unused foreign taxes from years beginning before January 1, 1976, for corporations using the per-country limitation to years beginning after December 31, 1975, when corporations were required to use the overall limitation.

For taxable years beginning after December 31, 1975, certain corporations elected to claim a U.S. possessions tax credit in lieu of the foreign tax credit. See the discussion of the U.S. possessions tax credit in this section and in the Changes in Law in section 2.

See also the discussion under Changes in Law in section 2 regarding the effect of international boycott participation on the foreign tax credit.

#### Includable Income from Controlled Foreign Corporations

This item represented amounts, not actually received, which a domestic corporation owning at least 10 percent of a Controlled Foreign Corporation was required by Code section 951 to include in its

gross income. For most purposes, the foreign corporation was considered controlled if more than 50 percent of its voting stock was controlled by U.S. persons, including domestic corporations, each of whom owned at least 10 percent of its voting stock.

The includable income consisted of:

(1) subpart F income, defined below, except if "minimum distributions" (based on the relationship of the foreign and U.S. tax rates so that the combined tax on the foreign corporation's earnings approximated 90 percent of what the U.S. tax alone would have been) were made;

(2) any previously excluded subpart F income which had been invested in qualified assets in "less developed countries," but which was now either withdrawn from these countries or remitted to the U.S. stockholders and was thereupon taxable; and

(3) any increase in Controlled Foreign Corporation earnings due to investment in U.S. property.

Subpart F income, defined in Code section 952, included:

(1) income attributable to premiums received by foreign insurance companies that were Controlled Foreign Corporations (here defined in terms of 25 percent voting stock ownership), 75 percent or more of whose insurance business was on U.S. risks; and

(2) "foreign base company income," which included:

(a) "foreign personal holding company income" (income derived from portfolio investments or from "passive" investments);

(b) "foreign base company sales income" (generally from the sale of property produced in the United States or a foreign country by one corporation and sold by a related corporation, generally a trading company, organized in another country having a low rate of taxation, for use outside that country); and

(c) "foreign base company services income" (in general, income from services performed or furnished for a related person, which included corporations, outside the country of incorporation of the Controlled Foreign Corporation, but with certain exceptions).

Foreign base company income excluded income from qualified investments in less developed countries or from sales of U.S. exports as well as income derived from use of aircraft or vessels in foreign commerce and related services.

The international boycott provisions of the Tax Reform Act of 1976 denied to corporations the benefits of the deferral of taxation on the earnings of Controlled Foreign Corporations and Domestic International Sales Corporations (DISC's) to the extent the benefits were attributable to operations connected with an agreement to participate in or cooperate with an international boycott conducted after November 3, 1976. However, an exception was provided for earnings attributable to operations conducted in accordance with the terms of a binding contract entered into before September 2, 1976. In this case, the denial of benefits was delayed and was applicable only for earnings attributable to a boycott conducted after December 31, 1977.

Analysis of returns of some of the larger corporations revealed instances where amounts reported as includable income from Controlled Foreign Corporations were actually dividends received from foreign corporations (both of these items were reportable on the dividends received schedule on the return). If these amounts were so identified on supporting schedules they were classified for statistical purposes as foreign dividends. Since the full extent of such variations in taxpayer reporting is not known, the amount shown for includable income may be somewhat overstated.

Table 12 shows this income separately. In other tables it is combined with "Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid" under the

heading "Constructive Taxable Income from Related Foreign Corporations."

### Income Subject to Tax

The 1954 Code provided different tax bases upon which tax was levied for different types of corporations. These included the "taxable income" base defined by Code section 63, used by the majority of corporations, and to which the normal tax and surtax rates applied; a variation of this base in combination with long-term capital gain when the lower capital gains rate was applicable; the special capital gains tax base of Small Business Corporations electing to be taxed through their stockholders; the several tax bases applicable to insurance companies; and the amounts taxable to regulated investment companies and real estate investment trusts. All of these tax bases are included under the heading, Income Subject to Tax. However, small amounts of regulated investment company undistributed long-term capital gains (described below) were excluded. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, income subject to tax for these corporations was not applicable and was therefore not includable (see "Domestic International Sales Corporation Returns").

For most corporations, income subject to tax consisted of net income minus certain "statutory special deductions" (described in this report under separate heading). However, there were certain exceptions. In some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. For these returns, income subject to tax was reduced to zero and the excess of the two special deductions became the statutory loss for the year, available for net operating loss deduction purposes over the prescribed carryback and carryover periods.

Also, the tax bases applicable to Small Business Corporations electing to be taxed through their stockholders, life insurance companies, regulated investment companies, and real estate investment trusts were not defined as net income less statutory special deductions.

Depending on which resulted in the lowest tax, the tax base for Small Business Corporations electing to be taxed through their stockholders was either (1) net income, (2) net long-term capital gain in excess of \$25,000, when net long-term capital gain was more than 50 percent of a net income that was over \$25,000, or (3) the amount attributed to gain from the disposition of property using a "substituted basis" (i.e., the basis that was transferred from another corporation which was not a Small Business Corporation electing to be taxed through its stockholders). No net operating loss carryovers and carrybacks were available, nor were deductions allowed for statutory special deductions.

For the life insurance company statistics, net income was derived from gain or loss from operations to which statutory special deductions were added back; income subject to tax was the smaller of gain from operations (which included the statutory special deductions) or taxable investment income. To this amount the following were added: (1) when taxable investment income was smaller than gain from operations, 50 percent of the difference between these two amounts, and (2) amounts subtracted from the policyholders' surplus account (which contained income nontaxable in the year earned, but taxable later on when withdrawn from this reserve account, even if the company had no current-year net income).

In addition, the life insurance company provisions applied to life insurance departments of mutual savings banks, where the departments were separately taxed from the remainder of the banks. However, data are combined for mutual savings banks in the statistics.

In the case of regulated investment companies and real estate investment trusts, any net long-term capital gain (reduced by net short-term capital loss) which was not distributed to stockholders was taxed to the companies at the capital gains rate, even though the alternative tax method was not allowed. The balance of undistributed income was taxed at the normal tax and surtax rates. Undistributed net long-term capital gain taxed at the capital gains rate was not available from the income tax computation schedule of the return form and no attempt was made to obtain it from attached schedules for the statistics.

See also, "Income Tax."

### Income Tax

Income tax was the gross amount of income tax liability before deducting the foreign tax, U.S. possessions tax, investment, and work incentive (WIN) credits. (This item did not apply to DISC's, which were not taxable; see "Domestic International Sales Corporation Returns" in this section.)

Basic tax rates from July 1976 through December 1977 were as follows: Normal tax rates consisted of 20 percent tax on the first \$25,000 of taxable income, 22 percent on the next \$25,000, and 48 percent on the remainder of taxable income (22 percent plus a 26 percent surtax). The surtax rate applied to amounts in excess of a \$50,000 "surtax exemption."

For corporations with amounts of net long-term capital gain an alternative method of tax computation was required. For these corporations the excess of net long-term capital gain over net short-term capital loss was taxed at the capital gains rate while the balance of income was taxed at the normal tax and surtax rates. This method of computing income tax was not available to regulated investment companies and real estate investment trusts. The alternative capital gains rate was 30 percent in most cases. (See "Net Capital Gains" in this section.)

In addition to the normal and alternative taxes, the statistics for income tax also include:

- (1) an additional tax for tax preferences ("minimum tax"), described under separate heading,
- (2) the tax from recomputing a prior-year investment credit, described under separate heading,
- (3) the tax from recomputing a prior-year work incentive (WIN) credit, described under separate heading,
- (4) the 30-percent tax on certain long-term capital gains of Small Business Corporations electing to be taxed through their stockholders, and
- (5) the 30-percent tax on undistributed net long-term capital gain (reduced by net short-term capital loss), and the normal tax and surtax, on the balance of undistributed income of regulated investment companies and real estate investment trusts.

Income tax shown in this report for returns without net income was attributable to the small number of returns showing:

- (1) income tax under special provisions of the Internal Revenue Code applicable to life insurance businesses,
- (2) tax from recomputing a prior-year investment credit,
- (3) tax from recomputing a prior-year work incentive (WIN) credit, and
- (4) additional tax for tax preferences ("minimum tax").

Statistics for income tax do not reflect the Personal Holding Company tax, nor do they reflect any adjustments to the tax liability such as those resulting from:

- (1) recomputation of the 1976 taxable income to reflect the carryback of net operating losses and certain capital losses for future years;
- (2) reduction of income tax by foreign tax, investment, U.S. possessions tax, and work incentive (WIN) credits recomputed to take account of the carry-

back of unused investment and WIN credits and of unused foreign taxes, of certain future years;

(3) audit examinations and other enforcement activities; and

(4) uncollectible taxes.

The statistics, therefore, differ somewhat from the actual income tax collections and the final income tax liability of corporations for tax year 1976.

#### Industry Groups and Divisions

Among the several classifications used in this report, tax return data are classified according to the principal business activity of the corporation. Returns were classified in the "minor" industry which accounted for the largest portion of total receipts, even though the return may have been for a company engaged in many business activities or may have been a consolidated return filed for the members of an affiliated group of corporations. Minor industries were aggregated into major industries, which in turn were aggregated into industrial divisions.

Returns in the statistical sample were examined during statistical processing, and each was assigned a code classifying it by industry. In determining the code, the description of the business activity given by the taxpayer; the taxpayer-assigned code; the sources of the taxpayer's income; the nature of the expenses; and where necessary, information from various reference books, were considered. Year-to-year changes in the classification of specific corporations could have resulted from mergers and other changes in organization or from filing consolidated returns, as well as from a change in the principal source of total receipts.

The industries used in this report generally conform with the Enterprise Standard Industrial Classification (ESIC) authorized by the Statistical Policy Division, Office of Information and Regulatory Affairs in the Office of Management and Budget. This classification, which was designed to classify companies (which are often engaged in more than one industrial activity), follows closely along the lines of the more detailed Standard Industrial Classification (SIC) which was designed to classify separate "establishments" rather than the companies of which establishments were part. Some departures from the ESIC system were made for Statistics of Income for the finance industries in order to reflect particular provisions of the Internal Revenue Code.

More detailed statistics are available in Publication 1053, Source Book of Statistics of Income--1976, for the industries shown in table 1 of this report. A general description of the Source Book including ordering information, is available from the Director, Statistics Division PR:S, Internal Revenue Service, Washington, DC 20224. Information concerning a magnetic-tape version of the Source Book is available from the Machine-Readable Archives Division, National Archives, Washington, DC 20408.

#### Intangible Assets

The total gross value (before the reduction by amounts of accumulated amortization) of contracts, copyrights, formulas, licenses, patents, registered trademarks, research or experimental expenditures and similar assets were included in this category only if amortization (or depreciation) was actually being taken. These assets could be amortized only if they had a definite life and value. Other intangible assets which were not amortizable were included in the statistics with "Other Assets."

Accumulated amortization represented the cumulative adjustment to these intangible assets as shown on the corporation's books of account. Amounts of

accumulated depreciation shown as adjustments to intangible assets were included in the statistics with "Accumulated Amortization."

#### Interest on State and Local Government Obligations

The interest on obligations issued by States, municipalities and other local Governments, the District of Columbia, and U.S. possessions was exempt from the income tax. The amounts shown for this item do not include the amortizable bond premium.

For statistical presentation, this interest is shown as part of the income statement and is included in "Total Receipts." Most corporations reported this tax-exempt interest in the "Reconciliation of income per books with income per returns" (see Schedule M-1 on the Form 1120 tax return facsimile in section 7 of this report).

#### Interest on U.S. Government Obligations

This taxable interest, a component of total receipts, was received from obligations issued by the United States, its agencies, or its instrumentalities. The amounts shown for this item reflect a deduction of the amortizable bond premium.

#### Interest Paid

These amounts include interest paid by corporations on business indebtedness including amounts paid on installment purchases if they were stated in the contract, as well as certain "unstated" amounts under Code section 483. For banking and savings institutions the amounts also included interest paid on deposits and withdrawable shares.

#### Inventories

Based on amounts reported on the balance sheet, inventories included such items as raw materials, finished and partially finished goods, merchandise on hand or in transit, and growing crops reported as assets by agricultural concerns. Inventories were generally valued at cost or at the lower of cost or market price. When valued at cost, inventories were generally identified by first-in, first-out (FIFO) or last-in, first-out (LIFO) methods.

Amounts reported by investment and holding companies (other than operating holding companies), security and commodity brokers, dealers and exchanges, and real estate developers and operative builders, were excluded and included in the statistics for "Other Investments." However, for consolidated returns which included these types of companies, amounts which could not specifically be identified on a company-by-company basis were accepted as reported and included in the statistics of inventories.

See also, "Cost of Sales and Operations" and "LIFO Inventory Method under Code Section 472."

#### Investment Credit

Investment credit was the reduction of income tax allowed corporations for investment in qualifying depreciable (or amortizable) property with a useful life of at least 3 years. Such property could not be disposed of or cease to be qualifying property prior to the end of the useful life used as the basis of the credit; otherwise, the credit already taken had to be repaid as an additional tax for the year in which the disposition or disqualification occurred. (See "Tax from Recomputing Prior-Year Investment Credit.")

The Tax Reduction Act of 1975 broadened the definition of property eligible for investment credit to include "qualified progress expenditures" (described below) and temporarily increased the invest-

ment credit (before limitations) from 7 percent of "investment qualified for credit" (4 percent in the case of public utility property) to 10 percent for all corporate taxpayers and to 11 percent for corporations that contributed 1 percent of their qualified investment to an "employee stock ownership plan" (ESOP). As described below, the credit could be as much as 11.5 percent of the qualified investment if it were derived in connection with an ESOP.

Special rules required that the ESOP (also referred to as a TRASOP or Tax Reduction Act Stock Ownership Plan) be established in writing, designed to invest primarily in securities, and funded by transfers of the corporation's securities (cash could be transferred if it were used to purchase the corporation's securities). Further, the ESOP qualifying rules allocated to the participants' account, and the participants had to be able to direct the plan as to how the allocation should be voted.

The Tax Reform Act of 1976 extended the period of the temporary increase for 4 more years through 1980 (i.e., from January 22, 1975, through December 31, 1980, instead of through December 31, 1976) and permitted corporations that claimed the 1 percent ESOP still another additional credit. Under this provision, such corporations, for taxable years that began after December 31, 1976, could claim up to a maximum of 0.5 percent additional credit if their employees matched the amount the corporation contributed to a qualified ESOP. Thus, the investment credit for these corporations could be up to 11.5 percent. The additional 0.5 percent credit was not allowed for public utilities which were required to pass through benefits of the investment credit to their consumers in the form of lower rates, instead of using the credit to offset the cost of capital investment.

For property acquired and placed in service during the 1975-1976 period, the 10 (or 11) percent rate generally applied. The 10 (or 11) percent rate was also applicable to the extent of the cost (or other basis) incurred for property constructed, reconstructed, or erected during this period. However, for property ordered during this period, but not placed in service until 1981, and property acquired after December 31, 1980, the credit was to be figured at 7 percent (or 4 percent of public utility property).

A special investment credit equal to one-half the regular investment credit was made available by the Tax Reform Act of 1976 for certain qualified ships (including U.S. based commercial fishing boats). This special investment credit was effective for taxable years beginning after December 31, 1975. (See discussion in the Changes in Law in section 2.)

The income tax available for investment credit did not include the tax from recomputing prior-year investment credit, the tax from recomputing prior-year work incentive (WIN) credit, the additional tax for tax preferences, the Personal Holding Company tax, and the special capital gains tax on Small Business Corporations electing to be taxed through their stockholders. (Since these corporations were not eligible to claim the investment credit, their investment was allocated among the stockholders who then claimed the credit.) In addition, the tax available for credit was after reduction by the foreign tax credit and the U.S. possessions tax credit, but before reduction by the work incentive (WIN) credit. Prior to amendment by the Tax Reduction Act of 1975, the investment credit could equal the income tax available for the credit, unless the available tax was in excess of \$25,000 plus 50 percent of the excess over \$25,000. The \$25,000 limitation was uniquely applied to members of controlled groups (as defined by Code section 1563) in that it was applied to the group as a whole and, thus, had to be apportioned among the component members of the group when separate tax returns were filed for each member.

Under the Tax Reduction Act of 1975, for public utility companies that were adversely affected by increasing energy costs and whose total investment qualified for credit was 75 percent or more "public utility property," the percentage limitation was increased from 50 percent to 100 percent. This increased limitation only applied to companies with taxable years ending in 1975 and 1976, after which the liberalized limitation was to be reduced gradually to 50 percent over the 5-year period, 1977 through 1981, by 10 percent annual decrements.

Certain limitations on the credit were applicable to special classes or kinds of corporations. Code section 46 limited the applicability of the credit for mutual savings banks, building and loan associations, and cooperative banks by reducing the qualified investment and \$25,000 tax liability limitation by 50 percent. In the case of regulated investment companies and real estate investment trusts, the qualified investment and \$25,000 tax liability limitation were reduced in the same proportion in which the organization's taxable income was reduced by dividends paid to stockholders. Similarly in the case of cooperatives, the qualified investment and \$25,000 tax liability limitation were reduced in the same proportion as that by which the organization's taxable income was reduced by patronage dividends and nonpatronage distributions. Section 48 reduced the tax and used property limitations for members of "controlled groups" so that the group as a whole was subject to the same dollar limitations as an individual corporation not part of a group. For this purpose, the controlled group was somewhat more broadly defined than it was for ordinary tax computation purposes.

Generally, the investment credit that could not be claimed due to the preceding limitations, became the unused investment credit for the current taxable year and could be used to reduce the income tax liability in other years.

Other than for qualified progress expenditures (described below), credit was allowed for the first year that the property was placed in service. Property qualified for the credit was defined as tangible personal property, tangible real property (except buildings and their structural components), elevators and escalators, and single-purpose agricultural and horticultural structures.

"Tangible personal property" comprised all property which was contained in or attached to a building, such as machinery or equipment. Certain types of property, even though physically located outside a building or accessory to a building, were also considered to be tangible personal property. Tangible personal property also included livestock other than horses, and certain motion picture and television film.

"Tangible real property" included property used as an integral part of manufacturing, production, or extraction; or, used in furnishing transportation, communication, electrical energy, gas, water or sewage disposal services; or, used as a research or bulk storage facility in connection with any of these activities.

"Single-purpose agricultural structures" included structures used to house particular types of livestock (including poultry) and the equipment necessary to raise and feed that livestock. "Single-purpose horticultural structures" included greenhouses used for the commercial production of plants.

Corporations could elect to claim advance credits for taxable years before qualified property was placed in service under the progress payment rules enacted under the Tax Reduction Act of 1975. The election was for "qualified progress expenditures," defined as investment in property with a normal construction period of at least 2 years and an expected useful life of at least 7 years, for which construction was not yet completed.

Effective with payments made after January 21, 1975, the qualified progress expenditures provision was to be phased in over a 5-year period, i.e., taxable years which ended in 1975 through 1979. During this 5-year phase-in period, the percent of qualified progress expenditures included in investment qualified for credit was gradually increased 20 percent each year. Thus, 20 percent of the 1975 expenditures was included for 1975; 40 percent of the 1976 expenditures was included for 1976; 60 percent of the 1977 expenditures would be included for 1977; 80 percent of the 1978 expenditures would be included for 1978; and finally, 100 percent of the 1979 expenditures would be included for 1979. In addition, the expenditures not included in investment qualified for credit for a given year, based on these percentage limitations, were nevertheless included in subsequent years through 1979. Increments of 20 percent of the expenditures would be included in investment qualified for credit for each subsequent year. Thus, of the 80 percent not recognized for 1975, 20 percent was separately included for 1976, 20 percent was separately included for 1977, 20 percent was separately included for 1978, and the final 20 percent was separately included for 1979. The same 20-percent formula applied to the 60 percent not recognized for 1975, the 40 percent for 1977, and the 20 percent for 1978.

For the taxable year in which progress expenditure property was placed in service, investment qualified for credit was the full cost or basis of the property reduced by that portion of qualified progress expenditures on which credits were previously taken.

"Public utility property," which was generally eligible for the credit, was property used predominantly in the business of selling or furnishing (1) electrical energy, water, or sewage disposal services, (2) gas through local distribution systems, (3) telephone services, and telegraph services by means of domestic telegraph operations, and (4) other communication services except international telegraph services. However, the rates for any of these services had to be established or approved by certain types of government regulatory bodies. When acquired by nonregulated companies, the type of communication property (or property used for communication purposes) normally used by regulated utilities was also included in public utility property subject to the credit.

Investment credit could not be claimed for "short-lived" property, and the eligibility of used property was further limited in that the total cost recognized could not exceed \$100,000. The \$100,000 limitation represented a temporary increase for taxable years beginning in 1975 and 1976 (under the Tax Reduction Act of 1975). Under prior law, the limitation was \$50,000.

Also ineligible for the investment credit was (1) property used for lodging, except for coin-operated machines in apartment buildings, (2) property used predominantly outside the United States, except for commercial communication satellites, submarine telephone cable used exclusively in communication links between the United States and foreign countries, and drilling equipment used in international or territorial waters, (3) property used by certain tax-exempt organizations, (4) property used by governmental units, or international organizations, (5) property consisting of horses, or of other livestock if sold and replaced by substantially identical animals during a relatively short specified period of time, (6) pollution control facilities, railroad rolling stock, coal mine safety equipment, on-the-job training and child care facilities, and expenditures for the rehabilitation of low-income rental housing, for which the special 5-year amortization was elected in lieu of ordinary depreciation, and (7) certain foreign-produced property (especially defined) that was stated under executive order of the President.

### Investment Credit Carryover

Amounts of "tentative" or "earned" credit based on "qualified investment" (entitled "Investment Qualified for Credit" in the statistics) could not be claimed if they exceeded the first \$25,000 of income tax plus 50 percent of the tax in excess of \$25,000 in a given year. (For this purpose, income tax was defined as the amount remaining after deducting any foreign tax credit and U.S. possessions tax credit, excluding additional tax for tax preferences, tax from recomputing prior-year investment credit, tax from recomputing prior-year work incentive (WIN) credit, and Personal Holding Company tax.) Under the Tax Reduction Act of 1975, for public utility companies that were adversely affected by increasing energy costs and whose "public utility property" comprised 75 percent or more of their total qualified investment, the percentage limitation was increased from 50 percent to 100 percent. This increased limitation only applied to companies with taxable years ending in 1975 and 1976 after which the liberalized limitation was to be reduced gradually to 50 percent over the 5-year period, 1977 through 1981, by 10 percent annual decrements. (See the discussion in the Changes in Law in section 2.)

Any amount of the investment credit not used in the current taxable year because it was in excess of the limitation based on income tax liability (including an amount of the credit earned by a corporation that had no tax for the year) could be carried back chronologically, for use in the preceding 3 years. This unused investment credit was applied against the amount by which income tax liability exceeded the amount of investment credit actually taken during these 3 years. Any excess credit remaining could then be carried over to the 7 succeeding years, in chronological order, in the same manner.

Under the 1976 Act, the order in which unused investment credit was to be used was changed, for taxable years beginning after December 31, 1975. A first-in, first-out rule applied and required that carryovers to the current taxable year be used first, investment credit earned in the current taxable year be used second (instead of first, as under prior law), and that carrybacks to the current taxable year be used last.

Data for the carryback of unused credit were not reported on the current year return and, thus, are not reflected in the statistics. (For the relationship between carryover and the unused credit, see "Unused Investment Credit.")

### Investment Qualified for Credit

Qualifying property with a useful life of 3 years or more was eligible for the investment credit. If property had a life of 3 but less than 5 years, one-third of its cost (or basis) comprised "qualified investment" eligible for credit. Property with a life of 5 but less than 7 years "qualified" with respect to two-thirds of its cost while property with a life of 7 years or more was fully "qualified."

"Qualified investment" (approximated by the statistics for "Investment Qualified for Credit") was the base upon which the credit was computed. It took into account purchases of new property, purchases of used property to a limited extent, and "qualified progress expenditures." (See "Investment Credit.")

While, for corporations in general, qualified investment equalled the sum of amounts based on the useful life class percentages described above, for "public utility property" acquired before January 22, 1975, qualified investment was equal to four-sevenths of the sum thus determined. Thus, in effect, the investment credit for public utility property was 4 percent, instead of the 7 percent allowed corporations

in general. However, in completing Form 3468, Computation of Investment Credit, corporations with investment in public utility property were asked to report the full amount of qualified investment, but to use a reduced percentage (4 percent) in computing the tentative investment credit. (See "Tentative Investment Credit.") Therefore, "Investment Qualified for Credit" is somewhat higher than "qualified investment" as defined by the law. This should be taken into consideration in relating statistics for "Investment Qualified for Credit" and "Tentative Investment Credit."

The Tax Reduction Act of 1975 temporarily (from January 22, 1975 through December 31, 1976) increased the investment credit from 7 percent of qualified investment (4 percent in the case of public utility property) to 10 percent (or 11 percent under certain conditions) for all corporate taxpayers. (The period of the temporary increase was extended for 4 years through December 31, 1980, by the Tax Reform Act of 1976.)

The Tax Reform Act of 1976 also permitted an extra additional investment credit equal to up to 0.5 percent of the qualified investment of corporations that qualified for the additional 1 percent credit for participation in an "employee stock ownership plan" (ESOP). The 0.5 percent additional credit was available only to corporations that transferred to the participants' accounts corporate securities held under the ESOP. (See the discussion in the Changes in Law in section 2.)

Other limitations regarding qualified investment applied to certain banking and savings institutions, investment companies, and cooperatives.

#### Investments in Government Obligations

This balance sheet asset item comprised (1) bonds or other obligations of a State or U.S. possession, including obligations of political subdivisions and of the District of Columbia, and (2) U.S. obligations, including those of instrumentalities of the Federal Government. In those instances where a corporation reported only one total for investments in Government obligations and did not indicate whether the obligations represented those of the United States or of State and local Governments, the total was treated as investments in U.S. obligations.

#### Land

Land, which was reported as a separate capital asset on the balance sheet, may be understated in this report because it could not always be identified. Some corporations may have included land as part of depreciable or depletable assets or included it in "other investments." Some corporations may have included land as part of depreciable assets; if so, the amount was statistically reclassified as land. If land had previously been certified as an emergency facility for the national defense, it could be amortized. If so, only the net land value (i.e., the value of land after the adjustment for amortization) was reported.

#### LIFO Inventory Method under Code Section 472

Table 10 includes statistics on corporations which elected to account for their inventories using the last-in, first-out (LIFO) method authorized under Code section 472. Corporations electing to do so were required to attach Form 970, Application to Use LIFO Inventory Method, to their return. The Form 970 or equivalent statement must have been attached to the return form and such application had to be for the year at the close of which the LIFO method was first used. Additionally, an analysis of the inventory to which the method applied to must have been

furnished in detail. Once this inventory method was adopted, permission was required from the local District Director of Internal Revenue to change to another method.

LIFO could be adopted for tax purposes only if it was also used in accounting for inventories on the corporation's books and, in general, the election to use it applied to the entire inventory. However, there were situations under which it could be used in combination with other methods.

One of these situations allowed corporations operating more than one distinctly different type of business to use different methods for each business. Thus, LIFO could be elected separately for each business. Moreover, corporations could further elect to apply LIFO only to the raw materials in their manufacturing or processing operation. This election could apply to all or only part of the raw materials inventoried. In a consolidated return LIFO could be separately elected for each group member.

The taxpayer generally indicated the method of inventory valuation in answer to the question in the Cost of Goods Sold Schedule (Schedule A) on the return; sometimes this was indicated in schedules attached to the return. (See the facsimile of the return form in section 6.)

The use of LIFO was based on the proposition that the most recently purchased or produced items in inventory were those that were sold first and that income was most clearly reflected by relating current costs to sales. Thus, in a period of rising prices, older less costly items in inventory were deemed unsold at the end of the year so that the cost of closing inventory was reduced. In turn, the smaller closing inventory resulted in a larger deduction for cost of goods sold and, consequently, a lower taxable income.

Under LIFO, goods and materials remaining on hand at the close of the year were treated, first, as those included in opening inventory to the extent thereof, and, second, as those added during the year. Items treated as having been in opening inventory were valued in order of acquisition except for the first LIFO year, when they were valued at average cost. Additions to inventory during the year were valued, at the corporation's option, on the basis of the most recent purchases, at an average cost for the year, in order in which they were acquired, or by any other method that reflected income most clearly.

LIFO could be applied to each item in inventory, or it could be applied to the dollar value of pools of items set up along product or business activity lines. In order to determine whether or not closing inventory of a pool had increased over opening inventory, the change in dollar value was first converted to cost at the beginning of the first LIFO year. An increase in value was converted to current-year cost for LIFO by applying to the base-year cost, a ratio that related current-year cost to base-year cost. The result was added to the base-year cost and became the closing LIFO inventory. (Current-year cost was determined using the same optional rules described above to determine the cost of additions to inventory during a LIFO year.) A decrease in value was applied against the most recent prior-year additions to the pool (expressed in terms of base-year cost), working backward chronologically from the current year. Any of the additions that remained for these earlier years were reconverted to a LIFO basis by using the ratio that was in effect for each year. The result was added to the base-year cost and became the closing LIFO inventory.

In addition, corporations with retail trade operations could use LIFO in conjunction with the retail method in establishing the value of their retail stock. But, when the retail method was used in combination with LIFO, an adjustment similar in

effect to that required for nonretail operations when "dollar value LIFO" was used, had to be made for changes in price level that occurred during the year. Thus, closing inventories valued at retail were first converted to the price level of opening inventory at the beginning of the first LIFO year by use of index numbers such as those issued by the Bureau of Labor Statistics. The current-year closing retail value was then compared with the value of the original inventory to determine if there had been an increase or a decrease during the current-year. An increase was converted to current-year cost by taking account of markups and markdowns. A decrease was applied against prior-year increases, adjusting each prior year for price level by reference to the appropriate index numbers for the year.

#### Loans from Stockholders

This balance sheet liability item was regarded as long-term in duration and may have included loans from affiliated corporations as well as from other stockholders.

#### Loans to Stockholders

This balance sheet asset item was regarded as long-term in duration and included loans to affiliated corporations as well as to other stockholders.

#### Members of Controlled Groups

Members of controlled groups were those corporations which were related to one another generally through 80 percent or more common stock ownership and which could file separate tax returns, under special provisions of the Code.

These provisions also effectively covered the filing prerequisites for most consolidated returns since the stock ownership requirement used to define an affiliated group eligible to file a consolidated return was similar to the controlled group ownership requirements. In computing income tax, Code section 1561 limited the surtax exemption to one per group, whether or not the group was included in a consolidated return. (See "Consolidated Returns.")

The controlled group provisions applied when (1) a common parent corporation had 80 percent or more control of one or more chains of subsidiaries (parent-subsidiary group), or when (2) five or fewer persons (individuals, estates, or trusts), individually or in combination, had 80 percent or more control of each of two or more corporations, but where the sum of each person's "identical" ownership in the group totaled more than 50 percent (brother-sister group). "Identical" ownership was considered to be the lowest common percent of ownership of an individual owner in each of the corporations comprising the group. Thus, if a person had ownership in each corporation in a given group and the smallest percent ownership was, for example, 5 percent of corporation A, that person's identical ownership in the entire group was considered to be 5 percent. Combination groups were possible when a person or persons controlled two or more corporations, one of which was the parent of one or more subsidiary corporations.

Two or more related life insurance companies were required to be treated as a controlled group separate from any other corporation to which they may have been related. Domestic International Sales Corporations (DISC's) were by their nature members of controlled groups. However, control was defined in terms of 50 percent stock ownership. DISC returns were not included in table 14.

Control was based on the total combined voting power or total value of all classes of outstanding shares. Certain stock was disregarded altogether and special constructive stock ownership rules applied

depending on the type of controlled group involved. Certain corporations were not considered as members of controlled groups. Included in this category were franchised corporations, tax-exempt organizations, foreign corporations with income not effectively connected with a U.S. trade or business, and corporations which were members of the controlled group for less than one-half the days in their taxable year that preceded December 31.

#### Mortgage and Real Estate Loans

Mortgage and real estate loans were, in general, the total amount which a corporation loaned on a long-term basis, accepting mortgages, deeds of trust, land contracts, or other liens on real estate as security.

Because the return form did not provide a separate place for reporting any reserve for uncollectible mortgage and real estate loan accounts, such reserves may have been included in the "Allowance for Bad Debts," shown in this report as an adjustment to "Notes and Accounts Receivable." If a separate reserve was indicated in supporting schedules, statistics for it were, therefore, added to the "Allowance for Bad Debts."

#### Mortgages, Notes, and Bonds Payable

These liabilities were separated on the balance sheet according to the length of time to maturity of the obligations. The length of time to maturity was based on the date of the balance sheet rather than on the date of issue of the obligations. Accordingly, long-term obligations, maturing within the coming year were included together with short-term obligations in the statistics for mortgages, notes, and bonds payable in less than one year.

Deposits and withdrawable shares may have been reported in mortgages, notes, and bonds payable by banks and savings institutions. When identified, such amounts were transferred to "Other Current Liabilities."

#### Net Capital Gains (Net long-term capital gain reduced by net short-term capital loss) (Net short-term capital gain reduced by net long-term capital loss)

Net capital gains represented the excess of gains over losses from the sales or exchanges of capital assets subject to the limitations described below. Gains and losses were short-term (if the asset was held for 6 months or less) or long-term (if the asset was held for more than 6 months).

Net short-term gains (reduced by net long-term losses) were taxed as ordinary income. However, net long-term gains (reduced by net short-term losses) were taxed at a rate of 30 percent.

Excess net losses could be carried back as short-term losses to be applied against the net capital gains of the 3 preceding years; any losses remaining after carryback were carried over the 5 succeeding years. Use of the carryback for excess net losses was limited; it was not allowed to increase or cause a deductible "net operating loss" for prior years and was not allowed for foreign expropriation capital losses (although a special carryover period of 10 years for such losses was allowed instead) or for capital losses of Small Business Corporations electing to be taxed through their stockholders. If the unused capital loss carryover was not eliminated within the prescribed span of years, it could not be taken.

In general, "capital assets" for tax purposes meant property regarded or treated as an investment, such as stocks and bonds. Code section 1221 defined the capital assets (or transactions) to which special treatment applied as all property held by the corporation except:

- (1) stock in trade, or property of a kind includable in inventories;
- (2) property held for sale to customers in the ordinary course of business;
- (3) notes and accounts receivable acquired in the ordinary course of business;
- (4) certain short-term Government obligations sold at a discount;
- (5) depreciable property used in the trade or business;
- (6) real property used in the trade or business; and
- (7) certain copyrights, literary, musical, or artistic compositions or similar properties.

Net gains from dispositions of some of the property types excluded from the definition of capital assets under Code section 1221, could receive capital gain treatment under special conditions set forth in other sections, while net gains from some of the property types included under the definition could be denied capital gain treatment under still other sections. The latter are referred to under the heading, "Net Gain (or Loss), Noncapital Assets."

Property used in trade or business, excluded from the tax definition of capital assets, received special treatment under Code section 1231. Gains and losses from sales or other dispositions of this property had to be aggregated first. If the overall result was a net gain, it was included in the computation of net long-term capital gain or loss. If the overall result was a net loss, it was included in the computation of net gain or loss from sales of property other than capital assets. Thus, a net gain under section 1231 could receive the more beneficial treatment of a long-term capital gain taxable at the alternative tax rate, while a net loss under section 1231 could receive the more beneficial treatment as an ordinary loss fully deductible against all types of income and not just against capital gain income.

The types of property (or transactions) to which Code section 1231 applied were:

- (1) real and depreciable property used in the trade or business, held for more than 6 months, and not includable in inventory or not held for sale in the ordinary course of business;
- (2) timber cut by the taxpayer during the year, if owned, or held under contract to cut, for more than 6 months before the beginning of the taxable year, and if an election was made under Code section 631 to treat the cutting as a sale or exchange of property used in trade or business;
- (3) domestic iron ore, timber, or coal, held for more than 6 months, if disposed of under a royalty contract whereby the owner retained an economic interest in the property, so that under Code section 631, the net gain or loss on the royalty income was treated as a net gain or loss on a sale or exchange of property used in trade or business;
- (4) unharvested crops disposed of with the land on which they were growing and used in the business of farming if the land was held for more than 6 months; and
- (5) livestock (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry, held for drafting, breeding, dairying, or sporting purposes, and, except for cattle and horses, acquired after 1969, held for 12 months or more. The holding period for cattle and horses acquired after 1969 was 24 months or more.

The amounts of gain eligible for capital gains treatment under Code section 1231 was reduced in the case of certain real and depreciable property by sections 1245, 1250, 1251, 1252, and 1254, and in the case of certain mining property, by section 617.

Code section 1245 provided that eligible gain for most depreciable property, except certain kinds of real property, be based on the amount of depreciation allowed on it prior to 1962. Section 1250

provided that eligible gain for certain depreciable realty be based on a percentage of the excess of accelerated depreciation over straight-line depreciation allowed prior to 1963 and on the length of time the property was held. However, with certain exceptions for sales of housing, no gain based on excess depreciation taken after 1969 was eligible for capital gains treatment.

Section 1251 further limited the eligible gain for certain types of real or depreciable property to the amount in excess of farm net losses accumulated after 1969 or, in the case of farmland, to an amount in excess of certain agricultural deductions accumulated during the most recent 5-year period. Section 1252 went further, by then limiting the gain treatment of farmland depending on the length of time the property was held. Section 1254 limited the gain treatment on sales of residential real property and on the disposal or sale of productive oil and gas wells.

Section 617 limited eligible gain on certain mining property to an amount in excess of the sum of current- and recent-prior year deductions for exploration and development expenditures.

None of these Code provisions had any effect on the treatment under Code section 1231 of losses resulting from the disposition of such property. For a description of the property to which sections 1245, 1250, 1251, 1252, 1254, and 617 applied, see the explanation of "Net Gain (or Loss), Noncapital Assets."

Net gains and certain net losses under Code section 1231 also resulted from "involuntary conversions," not only of the property types or transactions otherwise covered by section 1231, but also of the capital assets defined in section 1221, if they were held for more than 6 months. Gain or loss from involuntary conversions such as by condemnation were included in the regular consolidation of section 1231 gains and losses previously described. However, a separate netting of gains and losses was required for involuntary conversions by theft, or from fire, storm, shipwreck or other casualty, whether insured or uninsured. If the result was a net loss, it was treated as a fully deductible loss (without regard to other section 1231 transactions) and was excluded from the capital gain statistics. If, on the other hand, the result was a net gain, then it was consolidated with other gains and losses under section 1231. See the discussions of "Net Gain (or Loss), Noncapital Assets" and "Other Deductions."

See also, "Additional Tax for Tax Preferences."

#### Net Gain (or Loss), Noncapital Assets

In general, "noncapital assets" related to property of a business nature. The computation of net gain or loss, noncapital assets, resulted mostly from the sale or exchange of: (1) certain depreciable, depletable, and real property (described below); (2) notes and accounts receivable acquired in the ordinary course of business for services rendered or from the sale of property includable in inventory, or ordinarily held for sale; (3) certain copyrights, literary, musical, or artistic compositions or similar properties; (4) securities by dealers; (5) securities, including Government obligations, and other evidence of indebtedness, such as convertible debentures, by banking, savings, and certain other financial institutions; (6) certain patents, inventions or designs, secret formulas or processes, and similar property rights by domestic corporations to their more-than-50-percent owned foreign subsidiaries; and (7) qualified export assets by Domestic International Sales Corporations (DISC's). Also included in the computation were amounts resulting from certain "involuntary conversions" including net losses from casualty and theft, and amounts resulting from certain sales, exchanges, or redemptions of Controlled Foreign

Corporation stock (see "Dividends Received from Foreign Corporations").

With respect to the statistics for net gain or loss, noncapital assets, an assumption was made in the case of sales of stocks and commodities by stock and commodity dealers; and sales of real estate by real estate subdividers, developers, and operative builders. If these transactions were included in gross receipts and cost of goods sold on the tax return, instead of in net gain or loss from noncapital assets, the resulting profit or loss from the transactions (representing the difference between the receipts and the cost of sales) was transferred to the statistics for net gain or loss, noncapital assets, but only if the cost of sales was 50 percent or more of the receipts (if less than 50 percent, the receipts were regarded as commission income). The tax return data for receipts and cost of sales were accordingly adjusted for the statistics.

As explained under the definition of "Net Capital Gains," a net gain from dispositions of (or certain transactions involving) specified types of business assets that were considered noncapital assets based on Code section 1221, could receive capital gains treatment under section 1231. Gains and losses from these dispositions or transactions first had to be aggregated. If the overall result was a net gain, it was included in the computation of net long-term capital gain, but if the overall result was a net loss, it was included in the computation of net gain or loss, noncapital assets. The special treatment in this computation of gains and losses resulting from involuntary conversions, due mostly to casualty and theft, is described under "Net Capital Gains." Form 4797, Supplemental Schedule of Gains and Losses, called for net losses from casualty and theft to be included in the computation of "net gain or loss, noncapital assets" (although some corporations reported them in "other deductions").

The amount of gains (though not losses) on dispositions of property includable in the computation of net gain or loss under Code section 1231, was limited as a result of sections 1245, 1250, 1251, 1252, 1254 (described below), and 617. To the extent the amount eligible for capital gains treatment was thereby reduced, the amount included in the statistics for net gain or loss, noncapital assets, was increased.

New rules limiting long-term capital gain treatment on sales of residential real property and on the disposal or sale of productive oil and gas wells were set forth in Code section 1254 by the Tax Reform Act of 1976. Under these provisions, gain from the sale of residential rental property that was equal to the excess of accelerated depreciation over straight-line depreciation was recaptured as ordinary income. Recapture as ordinary income was also required for certain intangible drilling and development costs on productive oil and gas wells when the interest in an oil or gas property was disposed of or sold. The amount subject to recapture was the amount deducted for intangible drilling and development costs, reduced by the amounts which would have been deductible had those intangible costs been capitalized and amortized over the useful life of the well. See the discussion of these provisions in the Changes in Law description in section 2.

Code sections 1245 and 1250 applied to certain depreciable property. Sections 1251 and 1252 prescribed additional rules for much of this same property if it was used in the business of farming, as well as for certain other types of property used in farming and covered under section 1231. Section 617 applied to certain depletable property.

Code sections 1245 and 1250:

The depreciable property to which Code section 1245 applied was: (1) personal property other than livestock, whether tangible (such as machinery and equipment) or intangible (such as patents and copyrights); and (2) other tangible property including certain realty other than buildings and their structural components, if it was an integral part of specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, or the providing of transportation, communications, electrical energy, gas, water, or sewage disposal services.

New rules limiting long-term capital gain treatment on sales of residential real property and on the disposal or sale of productive oil and gas wells were set forth in the Tax Reform Act of 1976. See the changes in law discussion of these rules in section 2.

The depreciable property to which Code section 1250 applied was real property not already covered by section 1245. In general, this property consisted of buildings and their structural components, in the case of tangible property; or leaseholds of land, in the case of intangible property.

The amount of gain on dispositions of depreciable property under Code sections 1245 and 1250, treated as ordinary income and included in the statistics for net gain or loss, noncapital assets, generally depended upon the amount of depreciation claimed on the asset after a certain date prior to its disposition, although other factors were also considered in the case of section 1250 dispositions.

Under Code section 1245, the amount of gain treated as ordinary income was based on the depreciation (or amortization in the case of defense "emergency facilities") allowed or allowable after 1961 (after 1963 for elevators and escalators and after 1969 for livestock (including fur-bearing animals such as chinchillas, minks, and foxes)). This "depreciation recapture" applied to dispositions of property made during taxable years beginning after 1962 (after 1963 for elevators and escalators and after 1969 for livestock).

Under Code section 1250, the amount of gain treated as ordinary income was based, in general, on the excess of accelerated over straight-line depreciation allowed or allowable after 1963. However, this "depreciation recapture" was further qualified in the case of depreciation taken during 1963-69 so that if the property was held for more than 20 months, the "recapture" was further reduced to a proportion of this difference until, when the property was held for 10 years, the "recapture" as ordinary gain was not applicable at all. For depreciation taken after 1969, these qualifications were rescinded (with certain exceptions for residential rental housing, housing rehabilitation expenditures, and Government-subsidized housing), so that the entire amount of post-1969 excess depreciation was "recaptured" as ordinary income.

Code sections 1251 and 1252:

Under Code section 1251, net gain or loss from noncapital assets included ordinary gains from the sale or other disposition of certain types of farm business property which would otherwise have been eligible for long-term capital gain treatment under section 1231. Dispositions already regarded as ordinary gain or loss using section 1250 rules were excluded.

Amounts treated as ordinary gain were based on farm net losses accumulated after 1969. These net losses were before consideration of the gain or loss under Code section 1231 and, over the years, were first offset against any farm net income. The resulting accumulated loss was then applied against the gain on farm property. If the gain exceeded the accumulated loss, it was treated as ordinary gain to the extent of the loss and only the excess gain was eligible for capital gains treatment. If the reverse was the case, the gain was similarly treated and the excess loss was carried over for use in connection with future gains. For electing Small Business Corporations, this recapture of farm losses was less restrictive and was applicable only if farm net loss exceeded \$25,000, nonfarm net income exceeded \$50,000, and none of the stockholders had a farm net loss of their own. Section 1251 was not applicable if farming operations were accounted for on an accrual basis, inventories used, and deductible amounts capitalized and recovered over the years through depreciation, even though the law permitted expensing of the full amount currently on an elective basis.

Code section 1231 property subjected to these recapture rules includes depreciable personal property; livestock (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry; unharvested crops sold with the land on which they were growing; and land. For land, there was a limitation under section 1251 on the amount of gain treated as ordinary income: the amount recaptured could not exceed accumulated deductions for soil and water conservation and land clearance expenditures in the current and 4 preceding taxable years. However, there was an additional recapture for land, under section 1252. This recapture was based on a declining annual percentage of total post-1969 deductions for these same expenditures. The percentage was reduced to zero when land was held for 10 years or more, at which time the additional recapture did not apply.

#### Code section 1254:

Code section 1254, added by the Tax Reform Act of 1976, required recapture of amounts deducted for intangible drilling expenses on productive wells to the extent that those amounts deducted exceeded the amounts which were allowable had the intangible drilling expenses been capitalized and amortized over the useful life of the well. This was in addition to the existing rule requiring gain on the sale of oil and gas property to be recognized as ordinary income to the extent of depreciation of tangible personal property. This rule applied to costs paid or incurred and deducted in taxable years ending after December 31, 1975.

#### Code section 617:

Under Code section 617, corporations engaged in domestic mining operations that elected to claim unlimited deductions for exploration and development expenses (except for oil and gas) had to "repay" their post-1969 deductions when the mine reached the producing stage or when it was sold. If the mine was sold, the profit was treated as an ordinary net gain from a noncapital asset to the extent that the gain was equal to or less than any post-1969 deductions not already "recaptured" prior to the sale. Such gains are reflected in the statistics for net gain (or loss), noncapital assets. Any net gain in excess of the deductions was a net gain under section 1231, and eligible for capital gains treatment.

#### Net Income (or Deficit)

This is the difference between gross taxable receipts and the ordinary and necessary business deductions allowed by the Code, and reflects not only actual receipts but "constructive" receipts (i.e., certain income from Controlled Foreign Corporations and foreign dividend income resulting from foreign taxes deemed paid) as well.

Because certain statutory special deductions from net income were allowed most corporations in computing their income subject to tax, the statistics for net income are generally larger than the amounts shown for "Income subject to tax." Included in the net income statistics are amounts for Small Business Corporations (only certain long-term capital gains were taxable to these corporations). Also, the net income statistics include amounts for Domestic International Sales Corporations (DISC's); these corporations were not taxable.

For mutual insurance companies other than life or marine and other than certain fire or flood insurance companies, the net income (or deficit) in this report is the sum of the net investment income or loss, the statutory underwriting income or loss, and the subtractions from the Protection Against Loss (PAL) account before reduction by the statutory special deductions allowed corporations in general. Consequently, net income (or deficit) reflects not only the ordinary business deductions, but the statutory deductions from underwriting income allowed only to these mutual insurance companies. Net income (or deficit) also reflects the additions (if any) to taxable income of amounts in the PAL account previously deferred from taxation. Further, for some small mutual insurance companies electing to report under Code section 821(c), net income was net investment income only. (Electing companies were not required to report underwriting income.) The section 821(c) provisions were applicable only to companies with income from investments (other than capital gains), with premiums of less than \$500,000, and with no reserve in the PAL account.

For life insurance companies, the net income (or deficit) used for statistical purposes comprised the gain or loss from operations adjusted by adding back the dividends received and the operations loss deductions. Gain or loss from operations (which included both underwriting and investment income) represented gross taxable receipts reduced by ordinary and necessary business deductions and by additions to required reserves, certain other statutory deductions pertinent only to these companies, and by the dividends received and operations loss deductions.

#### Net Long-Term Capital Gain Taxed at Alternative Rate

This was the part of the tax base used for the tax computation for those returns using the alternative tax rate. The alternative method, allowed under Code section 1201, was used if it provided a lower tax liability than did the use of the normal tax and surtax rates on total taxable income. See the discussions of "Income Subject to Tax" and "Income Tax."

Income subject to tax for returns with alternative tax was the sum of (1) net long-term capital gain (reduced by net short-term capital loss), and (2) income taxed at normal tax and surtax rates (the balance of taxable income).

For most corporations, use of the alternative tax did not affect the amount shown as "Income Subject to Tax." However, when net long-term capital gain (reduced by net short-term capital loss) was greater than taxable income (net income minus statutory special de-

ductions) but the alternative rate (30 percent) applied to the capital gains was less than the regular rates applied to taxable income, the capital gains, rather than taxable income, became the tax base and was used for the "Income Subject to Tax" statistics.

#### Net Worth

Net worth represented the stockholders' equity in the assets of the corporation (total assets minus the claims of creditors). In the statistics, net worth comprises the net sum of the following items:

- (1) capital stock,
- (2) paid-in or capital surplus,
- (3) retained earnings, appropriated,
- (4) retained earnings, unappropriated, and
- (5) less: cost of treasury stock.

Each of these items is explained under its own heading in this section. Tables 2, 3, 4, and 5 show these items separately; tables 1, 6, 7 and 8 combine these items and show them under the statistics for net worth.

#### Noncalendar Year Returns

Returns filed for a 12-month accounting period ended during July through November 1976 or during January through June 1977 were included in this classification. Figure B in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

#### Notes and Accounts Receivable

Notes and accounts receivable were, in general, the gross amounts arising from business sales or services to customers on credit during the ordinary course of trade or business which would normally be converted to cash within 1 year. Current nontrade receivables were generally included in "Other Current Assets."

The balance sheets on most corporation income tax forms called for the reporting of both "gross" receivables and the "allowance for bad debts." However, some corporations reported only the net amount. In the case of insurance companies filing balance sheets in the form required under State law, only the net amount was reported.

Loans and mortgages may have been reported in notes and accounts receivable by savings and loan associations. When identified, such mortgage loans were transferred to "Mortgage and Real Estate Loans."

The "Allowance for Bad Debts," shown as an adjustment, may also include the reserves for the separate account, "Mortgage and Real Estate Loans." As a result, it was possible for the "Allowance for Bad Debts" to exceed the amount of notes and accounts receivable.

#### Number of Returns

Returns of inactive corporations were excluded from the statistics. (See "Returns of Inactive Corporations.") The number of Form 1120-DISC and Form 1120S returns filed, respectively, by Domestic International Sales Corporations and Small Business Corporations for which an election was made to be taxed through stockholders are included in each total number (except for those tables which specifically exclude these returns) and are also shown separately in some of the tables.

See also "Consolidated Returns" and "Returns of Active Corporations."

#### Number of Stockholders

This was the number of persons, at the end of the accounting period, who held stock in a Small Business Corporation electing to be taxed through its stockholders. By law the number of stockholders at any one time was limited to no more than ten (fifteen if the accounting period began after December 31, 1976). Husbands and wives listed on the return form as joint owners were counted only once. However, if each spouse was listed as a separate owner they were counted as two stockholders unless the return was from a "community property" State.

Stock which was community property of a husband and wife, or which was held jointly by them, was regarded as owned by one stockholder for purposes of qualifying for the election by the corporation to be taxed through stockholders. Even if the husband or wife owned stock individually and both also were joint owners of stock, the law prescribed that they be counted only once with respect to all of their stock. But if each of them owned stock separately and also owned stock jointly, they continued to be regarded as two stockholders, unless the stock was community property.

Although the husband and wife were thus generally considered as one stockholder, each had to consent to the election by the corporation and each had to include in his or her gross income his or her share of the distributed and undistributed net income of the company. Actual distributions of net income were made to all stockholders who were owners during the year. A net operating loss for the year was allocated in a similar manner. However, amounts of net income deemed, but not actually distributed, were allocated only among end-of-year stockholders.

Number of stockholders as shown in the statistics is based on the number of stockholder names listed in the schedule of income and distributions (Schedule K). If the holding period of stock ended on the last day of the corporation's tax year, the stockholder was counted among the number of stockholders, end-of-tax year.

With regard to the enumerating of husband and wife stockholders, a general rule was applied whereby both were counted as one stockholder. In order to facilitate statistical processing, no allowance was made for the one situation in which both husband and wife owned stock individually as well as jointly and should have been counted as two separate stockholders.

#### Other Assets

Other assets comprised, in general, noncurrent assets which were not allocable to a specific account on the balance sheet, and certain accounts for which no distinction could be made between current and non-current status.

Includable were such items as deferred charges reported as noncurrent by the corporations, interest discounts, guaranty deposits, and intangible assets not subject to amortization. Other assets of banks included property held in trust if included in the banks' assets. Other assets of life insurance companies included the market value of real estate, and that portion of stock and bond holdings in excess of book value. For Domestic International Sales Corporation (DISC's), this item also included "nonqualified assets" (i.e., assets that were not export-related or that failed to meet the requirements indicated for "qualified export assets" in Code section 993).

Other Current Assets

Assets not allocable to a specific current account in the return form balance sheet, and assets specifically reported as short-term by the corporation, as well as marketable securities other than Government obligations, comprised this account.

Includable were prepaid expenses, nontrade receivables, coupons and dividends receivable, claims and judgments, and similar items. For construction corporations, amounts reported as current for contract work in progress in excess of billings were includable.

Also includable in other current assets were amounts reported as inventories on nonconsolidated returns of holding and other investment companies (except operating holding companies); security and commodity brokers, dealers, and exchanges; and real estate subdividers, developers, and operative builders.

Other Current Liabilities

Other current liabilities included, for the most part, certain amounts due and payable within the coming year. The account comprised accrued expenses, as well as current payables not arising from the purchase of goods and services and not evidenced by bonds, notes, or mortgages. Examples of other current liabilities were taxes accrued or payable, accrued employee accounts such as for payrolls and contributions to benefit plans, dividends payable, overdrafts, accrued interest or rent, and deposits and withdrawable shares of banking and savings institutions.

For construction corporations, amounts of advances for deposits on uncompleted contracts or jobs in progress were included in this item, if reported as current.

Other Deductions

Other deductions comprised (1) business expenses which were not allocable to a specific deduction item on the return form, or which were not included elsewhere on the return form, and (2) certain amounts which were given special treatment in the course of statistical processing.

The first category included such items as administrative, general, and selling expenses; bonuses and commissions; delivery, freight, and shipping expenses; sales discounts; travel and entertainment expenses; utility expenses not reported as part of the cost of goods sold; and similar items.

The second category included salaries and wages not reported as a cost of sales and operations and not reported as a part of another deduction item; amortization of bond premiums, loan and mortgage costs, and other financial items reported as amortization rather than as part of other deductions; unrealized profit on current-year installment sales; reported amounts of negative income; and certain "involuntary conversions" (described below). Also included were itemized business deductions and other deductions unique to Domestic International Sales Corporations (DISC's), life and most mutual insurance companies. In the case of DISC's, the statistics include deductions such as those for market studies, sales commissions, and freight and other expenses (whether or not they were considered export promotion expenses).

The statistics for other deductions may include losses resulting from involuntary conversions by theft, or from fire, storm, shipwreck, or other casualty, if these losses were reported in the taxpayer's own schedule for other deductions. For the statistics, no attempt was made to transfer the data to the ordinary gains or losses computation. Losses from involuntary conversions which were

reported as ordinary losses derived from Form 4797, Supplemental Schedule of Gains and Losses, were included in the estimates for "Net Gain (or Loss), Noncapital Assets." See also the discussion under "Net Capital Gains" in this section.

Other Interest

Included in this item were amounts received on loans, notes, mortgages, bonds, bank deposits, and corporate bonds less amortizable bond premiums. For installment sales, interest received included amounts stated in the contract and certain unstated amounts of interest, as provided in Code section 483.

For Domestic International Sales Corporations (DISC's), this item included "Interest on Producer's Loans." See the explanation of "Domestic International Sales Corporation Returns" in this section.

Other Investments

This category generally included long-term non-Government investments and certain investments for which no distinction could be made as to their current or long-term nature. Non-Government investments generally not held for conversion to another form within the coming year included stocks, bonds, loans on notes or bonds, loans to subsidiaries, and other types of financial securities. Also included in this category were investments unique to Domestic International Sales Corporations (DISC's), such as investments in related foreign export corporations, Export-Import Bank obligations, and producer's loans.

Real estate not reported as a fixed asset could also be included. In certain instances, land and buildings owned by real estate operators (except lessors of real property other than buildings), and real holdings of insurance carriers (other than their home office and branch office buildings and equipment), were reported as "other investments."

In one respect the statistics may be somewhat overstated. Treasury stock held for resale or for future distribution may have been reported as an asset on some tax returns and, if not clearly identified as Treasury stock, would have been included in the statistics for "Other Investments." When these amounts could be identified, they were transferred to the liability side of the balance sheet statistics under "Cost of Treasury Stock."

Other Liabilities

Other liabilities were obligations which were not allocable to a specific account on the balance sheet and which were either noncurrent accounts, in general not due within 1 year, or accounts which could not be identified as either current or long-term.

Examples of other liabilities were deferred or unearned income not reported as part of a current account, provisions for future taxes based on the effects of either accelerated depreciation or possible income tax adjustments such as for the investment credit, and principal amounts of employee and similar funds.

Other Receipts

Other receipts included amounts not elsewhere reported on the return form, such as: profits from sales of commodities other than the principal commodity in which the corporation dealt; income from minor operations; cash discounts; income from claims, license rights, judgments, and joint ventures; net amount earned under operating agreements; profit from commissaries; profit on prior-years' collections (installment basis); profit on the purchase of a

corporation's own bonds; recoveries of losses and bad debts previously claimed for tax purposes; refunds for the cancellation of contracts; and income from sales of scrap, salvage, or waste. Also regarded as other receipts were certain dividends received, such as from Federal Reserve and Federal Home Loan Banks, and from the following special classes of corporations: China Trade Act corporations; corporations deriving a large percent of their gross income from sources within a U.S. possession; and tax-exempt charitable, educational, religious, scientific and literary organizations, and mutual and cooperative societies including farmers' cooperatives.

For Domestic International Sales Corporations (DISC's), other receipts comprised all "nonqualified" gross receipts reported on the return except nonqualified dividends. In addition, in the case of DISC's acting as commission agents for someone else, only the commissions earned and not the underlying gross receipts on which the commissions were earned were included in the statistics. Nonqualified gross receipts thus took into account: (1) sales of goods and services for ultimate use or consumption in the United States, (2) exports subsidized by the U.S. Government, (3) certain direct or indirect sales or leases for use by the U.S. Government, and (4) sales to other DISC's in the same controlled group of corporations. (See also "Business Receipts.")

#### Overpayments Claimed as a Credit

This was the amount of overpayment of income tax that the corporation specifically requested to be credited to 1976 estimated tax, in lieu of requesting a refund in the prior year. The credit, "1975 overpayments claimed as a credit," is shown in table 12.

#### Paid-In or Capital Surplus

This balance sheet item comprised additions to the corporation's capital from sources other than earnings. These sources included amounts of surplus occasioned by donation, appreciation of assets, receipts from the sale of capital stock in excess of stated value, stock redemptions or conversions, and similar transactions. The amounts shown are after deducting any negative amounts.

#### Part-Year Returns

Part-year returns were those filed for accounting periods of less than 12 months which ended in the period July 1976 through June 1977. Such returns were filed as a result of business liquidations, reorganizations, mergers, and changes to new accounting periods. Figure B in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

#### Payments With Applications for Extension of Filing Time (Forms 7004 and 7005)

These statistics were derived from the income tax returns rather than from the application for extension of time to file, Form 7004, and the application for additional extension of time to file, Form 7005, or their equivalents. Corporations which filed Form 7004 on time and paid the required amount of tax liability (tentatively determined) were granted an automatic extension of 3 months in which to file returns. A second extension (requested on Form 7005) of 3 months could be granted under certain conditions.

Requesting the extension of time to file the return did not postpone the payment of tax. When an extension was requested on Form 7004, at least half of the unpaid balance of the tax liability tentatively determined (taking into account any credits against

tax, as well as any estimated tax payments) was due. If the option of paying the tentatively determined tax liability on an installment basis (with the balance due on or before 3 months after the regular filing date) was not used, the entire amount was due with the application. If a second extension of time to file was applied for, the balance of any unpaid tax liability was due at the time of the application.

The statistics may be slightly understated because of taxpayer reporting variations and because of the inability to identify the total amount from the tax returns.

#### Pension, Profit-Sharing, Stock Bonus, and Annuity Plans

Contributions made by employers to these plans were deductible under Code section 404. The Code imposed limitations on the amounts deductible for the taxable year and provided a carryover feature for certain amounts paid in excess of these limitations. Deductions were also allowed for employer contributions made to benefit plans established for certain U.S. citizens employed for foreign subsidiaries and branches of domestic corporations. The statistics for this item include such amounts identified in the cost of sales and operations schedules.

The Employee Retirement Income Security Act of 1974 (ERISA), revised the requirements relating to the participating, vesting, and funding of private pension and employee benefit plans and to the deductibility of employer contributions to these plans. New rules under ERISA were effective at varying times, but generally applied to plan years beginning after September 2, 1974. Under ERISA, employee benefit plans were qualified for tax purposes only if they met certain compulsory standards. Stated differently, employee benefit plans generally had to meet these new standards before the related trusts set up by the employer to administer them could be exempted from income taxation and before employers could deduct their contributions to these trusts.

There were limitations on the deductions claimed by employers for certain of their contributions to qualified pension plans. For example, regular corporate plans based on a combination of the earnings of the individual employee and the aggregate compensation paid by the employer were subject to limitations. Limitations were also prescribed for deductible contributions to defined contributions plans (i.e., plans which provided for an individual account for each participant employee and for benefits based solely on the amount contributed to the participant's account, and any income and expenses, gains and losses, and forfeitures of accounts of other participants which could be allocated to such participant's account).

Contributions deductible for a given year were limited. However, limitations were not the same for employer contributions to defined pension plans as they were for profit-sharing plans or stock bonus trusts. For defined pension plans, the limitation was an amount equal to the greater of the minimum funding requirements or a maximum annual deduction.

The maximum annual deduction, which formerly included normal costs plus 10 percent of past service costs, was changed to include normal costs plus amounts needed to amortize past service costs in 10 equal annual payments (including interest and principal). The maximum annual deduction limitation applied unless it was less than the amount needed to meet the minimum funding requirements. If this was the case, the amount needed to satisfy the minimum funding requirements took precedence and was deducted in full, so that, in effect, this amount became the maximum annual deduction.

For profit-sharing plans or stock bonus trusts, the amount deducted in a given year could not exceed 15 percent of the aggregate compensation paid by the employer in that year. For combination profit-sharing and pension plans, the limitation was 25 percent of the aggregate compensation paid by the employer in the given year.

Employer contributions in excess of the limitations were carried over to future years, in order of time, until they were fully deducted. The amount carried over, when combined with the current year's allowable amount, could not exceed either the maximum annual deduction, minimum funding requirements or 25 percent of the aggregate compensation paid by the employer. The total amount (i.e., the current deduction plus the carryover amount) deductible in a carry-over year could not exceed 25 percent, in the case of a combination profit-sharing and pension plan. For profit-sharing plans alone, the limit was also 25 percent for carryover years.

Excluded were deductions claimed for employer contributions to pension plans and certain other deferred compensation plans within the scope of Code section 404.

#### Personal Holding Company Tax

In addition to being subject to regular income tax and additional tax for tax preferences, corporations classified as Personal Holding Companies were subject to another tax equal to 70 percent of their "undistributed Personal Holding Company income."

Briefly, the term Personal Holding Company was applied to certain closely-held corporations whose income was from passive sources (generally investments and personal service contracts) rather than from the actual active conduct of a trade or business. The 70 percent tax was imposed on the taxable income (specially defined) from passive sources reduced by amounts distributed to owners.

Since most Personal Holding Companies distributed all of their Personal Holding Company income, only a small number were actually subject to the tax. In addition, the tax is slightly understated because the Personal Holding Company tax was not always reported separately from the regular income tax.

The tax appears in the statistics for industries other than "Holding and other investment companies except bank holding companies." This is because a Personal Holding Company could be a subsidiary included in a consolidated return classified in some other industry.

#### Provision for Federal Income Tax

In general, this was the net amount of Federal income tax accrued, or the provision for such tax, for the taxable year as reported in corporations' books of account and in tax return schedules reconciling book and tax profits (see Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 6 of this report), or in the case of most insurance companies, from the annual statements filed with the returns.

When corporations identified the amount of Federal income tax which was current and the amount which was deferred, only the amount reported as current was used for the statistics. Deferred Federal income tax as shown on the books of account represented the tax consequence resulting from differences between book and tax accounting in the recognition of various items of income and expenses (see "Book Net Income (or Deficit)").

Corporations occasionally reported foreign and State taxes together with Federal taxes and the components were not separately identified. The resulting effect on the statistics was to overstate

the provision for Federal income tax. This had no effect, of course, on the after-tax profit amount shown in the statistics as "Book Net Income (or Deficit)."

#### Qualified Export Receipts

Qualified export receipts of a Domestic International Sales Corporation (DISC) were: (1) gross receipts from the sale, exchange, or other disposition of "export property", (described under "Total Amounts Deemed Distributed") (2) gross receipts from the lease or rental of export property, which were used by the lessee of such property outside the United States, (3) gross receipts from the sale, exchange, or other disposition of "qualified export assets" (other than export property) (described under "Domestic International Sales Corporation Returns"), (4) gross receipts for services which were related and subsidiary to any qualified sale, exchange, lease, rental, or other disposition of export property, (5) dividends with respect to stock of a related foreign export corporation, (6) interest on any obligation which was a qualified export asset, (7) gross receipts for engineering or architectural services for construction projects located (or proposed for location) outside the United States, and (8) gross receipts for the performance of managerial services in furtherance of the production of other qualified export receipts of a DISC.

The statistics in this publication for qualified export receipts represent those receipts shown in the DISC's income statement. For DISC's which operated on a commission basis, qualified export receipts included only commissions and not the gross receipts on which the commissions were earned.

#### Refunds of Estimated Tax Payments

A corporation which had determined that it had overpaid its estimated tax could have filed for a quick refund or adjustment of the overpayment even before it had filed its return. To have done so, the estimated tax overpayment had to be at least \$500 and be at least 10 percent of the expected "final" income tax liability reported on the tax return.

The application for refund had to be made within 2-1/2 months after the close of the taxable year and before the corporation had filed its income tax return. If the refund (or credit against any other tax owed, in lieu of a refund) was subsequently determined to be excessive, the tax on the excess included an underpayment penalty at a rate determined pursuant to Code section 6621 based on the "adjusted prime rate charged by banks."

See "Estimated Tax Payments."

#### Rent Paid on Business Property

These deductions for ordinary and necessary expenses consisted of rents paid for the use of land or structures, and rents paid for leased roads, rolling stock, and work equipment for railroad companies. Identifiable amounts of taxes paid and other expenses of lessees in connection with rent paid were included in their respective deduction headings.

#### Rents

These were the gross amounts received for the use or occupancy of property. Expenses related to rental property, such as depreciation, repairs, interest paid, and taxes paid, were not deducted directly from the rental income, but were reported as business deductions from total receipts. The rental income of manufacturing, public utility, and service corporations which frequently leased rather than sold their

products, was included in the "Business Receipts" rather than in rents.

### Repairs

Repairs reported as an ordinary and necessary business expense were the costs of maintenance and incidental repairs and could include the cost of labor, supplies and other items which did not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery or equipment, or for permanent improvements which increased the cost or basis of the property were not deductible currently and were charged to capital expenditures, which were generally depreciable.

For taxpayers using the Class Life Asset Depreciation Range (CLADR) system (see the discussion under "Depreciation under Class Life Asset Depreciation Range (CLADR) System" in this section), a relatively few elected an alternative method of computing the deduction for repairs. This method was available when ambiguity existed as to whether expenditures for repairs, maintenance, rehabilitation, or improvement of depreciable property could be deducted in the year paid or incurred, or had to be capitalized and depreciated over the useful life of the property.

Under the rules prescribed, all qualifying expenditures within a given asset guideline class were treated as currently deductible repairs provided they did not exceed the "repair allowance." The repair allowance for an asset guideline class was based on the percentage prescribed for that class applied to the "average" cost or unadjusted basis of "repair allowance property" in that class. Amounts in excess of the percentage had to be capitalized and recovered as depreciation.

### Retained Earnings, Appropriated

Earnings set aside for specific purposes and not available for distribution to stockholders were included under this heading. Included were guaranty funds and reserves for plant expansion, bond retirements, and contingencies for extraordinary losses. Specifically excluded were the reserves for bad debts, for depreciation, for depletion, and for amortization, which were shown separately; and, the reserves for taxes, and unrealized profits or unearned income, which were includable in "Other Liabilities."

### Retained Earnings, Unappropriated

Retained earnings, unappropriated, consisted of the retained earnings and profits of the corporation less any reserves (shown in the statistics as "Retained Earnings, Appropriated"). The statistics shown are net figures after deduction of any negative amounts.

For Domestic International Sales Corporations (DISC's), this item included previously taxed income, accumulated DISC income, and other earnings and profits.

Similarly, for Small Business Corporations electing to be taxed through their stockholders, this item included earnings from before the corporation's election as well as earnings since the election, to the extent that they had not yet been distributed to the stockholders. (See "Stockholders' Undistributed Taxable Income Previously Taxed.")

### Returns of Active Corporations

These returns were the basis for all financial statistics presented in the report. They comprised the vast majority of the returns filed, and were defined for the statistics as returns of corporations reporting any income or deduction items.

### Returns of Inactive Corporations

Corporations in existence during any portion of the taxable year were required to file a return even though they may have been inactive. Inactive corporations are defined for this report as returns showing no item of income or deduction. Financial data from these returns were excluded from the statistics.

### Returns With Net Income

Returns with net income were those showing gross taxable receipts exceeding the ordinary and necessary business deductions allowed by the Code. (See "Net Income (or Deficit).")

### Returns Without Net Income

Returns without net income were those for which ordinary and necessary business deductions allowed by the Code exceeded gross taxable receipts. In addition to deficit returns, this classification also included returns where gross taxable receipts and business deductions were equal. (See "Net Income (or Deficit).")

### Royalties

Royalties were payments received, generally on an agreed percentage basis, for the use of property rights. Included were amounts received from such properties as copyrights, patents, and trademarks; and from natural resources such as timber, mineral mines, and oil wells. The amount reported was the gross amount received. Expenses relating to royalties, depletion or taxes, for example, were not deducted directly from this income, but were reported among the various business deductions from total gross income.

Excluded from the statistics were certain royalties received under a lease agreement on timber, coal deposits, and domestic iron ore deposits, which were allowed special tax treatment. Under elective provisions of Code section 631, the net gain or loss on such royalties was included in the computation of net gain or loss on sales or exchanges of certain business property under section 1231. If the overall result of this computation was a net gain, it was eligible for treatment as a long-term capital gain, taxable at the capital gains rates. If the overall result was a net loss, it was fully deductible in the current year as an ordinary noncapital loss. See the discussions of "Net Capital Gains" and "Net Gain (or Loss), Non-capital Assets."

### Size of Business Receipts

Size of business receipts was based on the gross amounts from sales and operations for industries except those in the finance, insurance, and real estate divisions. For these industries, total receipts, which is the sum of business receipts and investment income, were used as the basis for classification. See the discussions of "Business Receipts" and "Total Receipts."

### Size of Total Assets

Size of total assets was based on the amount reported in the end-of-year balance sheet. Returns with zero assets were used as a classification for returns of (1) liquidating or dissolving corporations which had disposed of all their assets and whose income tax returns were final returns, (2) merging corporations whose assets and liabilities were included in the returns of the acquiring corporations, (3) corporations filing a part-year tax return because of a change in accounting period, and (4) foreign cor-

porations with income effectively connected with the conduct of a trade or business within the United States (except foreign insurance companies providing balance sheet information for U.S. branches). (See also, "Total Assets and Total Liabilities.")

### Small Business Corporation Returns

Form 1120S, U.S. Small Business Corporation Income Tax Return, was filed by corporations electing to be taxed through stockholders under section 1372 of the Code.

To qualify as a Small Business Corporation, a firm had to be a domestic corporation, with no more than ten stockholders, each of which was an individual (or an estate) and no one of which was a nonresident alien. For taxable years beginning after December 31, 1976, a Small Business Corporation which had been an electing Small Business Corporation for 5 consecutive taxable years could have as many as fifteen stockholders (see "Number of Stockholders"). The corporation could have only one class of stock and could not be a member of an affiliated group eligible to file a consolidated return. Moreover, the corporation could not receive more than 80 percent of its gross receipts from sources outside the United States nor more than 20 percent from passive investments (interest, rents, royalties, annuities, and gains from the sale or exchange of stock and securities). The 20 percent passive-income limitation did not apply during the first 2 years of business unless such income, for the year in question, was \$3,000 or more.

Net income of Small Business Corporations was computed in the same manner as for most corporations. The net operating loss deduction and other statutory special deductions allowed most corporations, such as for dividends received, could not be taken.

An electing Small Business Corporation was generally not taxed. However, an existing corporation that elected (under Code section 1372) to become a Small Business Corporation was subject to a special tax for the first 3 taxable years of the election. On the other hand, a new corporation which was an electing Small Business Corporation for each year of its existence was not subject to the special tax at all. Section 1378 of the Code provided that the amount of the tax was the lower of the following: (1) 30 percent of the excess of net long-term capital gain (reduced by net short-term capital loss) over \$25,000 when net long-term capital gain was more than 50 percent of a net income that was over \$25,000. (2) 30 percent of the gain from the disposition of property using a "substituted basis" (i.e., the basis that was transferred from another corporation which was not also an electing Small Business Corporation), or (3) the normal tax and surtax rates applied to net income. Foreign tax credit, investment credit, U.S. possessions tax credit and work incentive (WIN) credit were not available to the corporation to reduce this tax (although the cost of investment credit property and WIN Program salaries and wages were allocated to stockholders for their use in computing the credits).

Generally, the income of the Small Business Corporation was taxable to its stockholders as ordinary income. Net long-term capital gains (reduced by any tax paid on them by the corporation) were not taxable as ordinary income, but instead retained their character in the hands of the stockholders. Also, stockholders were allowed to deduct their share of the corporation's deficit from other forms of individual (or fiduciary) income as part of their net operating loss deduction. Undistributed income earned in previous years was taxable to stockholders in the year it was earned, and could be distributed during the current year without any further tax.

### Statutory Special Deductions

Statutory special deductions is the term used for the statistics to describe the deductions for: (1) net operating losses of prior years, and (2) total "special deductions" as defined by the Code, i.e., the sum of deductions for intercorporate dividends received, for dividends paid on certain preferred stock of public utilities, and for Western Hemisphere Trade Corporations. Since these deductions were allowed by law, in addition to ordinary and necessary business deductions, they are shown as deductions from net income.

In general, net income less statutory special deductions equalled income subject to tax. However, the two dividend deductions were not restricted to returns with net income, nor, in general, to the amount of net income and thus became part of the statutory "net operating loss" for some corporations. Statutory special deductions were not allowed to Small Business Corporations for which an election was made to be taxed through stockholders, nor to regulated investment companies and real estate investment trusts.

Although Domestic International Sales Corporation (DISC's) were not taxable, in order to compute "tax deferred income and income taxable to stockholders," two of the statutory special deductions, i.e., net operating loss deduction and intercorporate dividends received deduction, discussed below, were allowed.

Definitions for the statutory special deductions contained in the statistics are as follows:

(1) Net operating loss deduction.—The total net operating loss deduction was based on statutory net operating losses of prior or subsequent years which could be used to reduce taxable income for a specified number of years. The amount shown in this report, however, consists only of losses from prior years actually used to reduce taxable income for 1976. Losses incurred after 1976 and carried back to that year at a later date could not be reported on the returns used for this report. In general, losses were carried back over a 3-year period, chronologically, and any amount not offset against income during that time could then be carried forward against income for a period not exceeding 5 years. Longer carryover periods were allowed for certain foreign expropriation losses, and for corporations applying for tax assistance under the Trade Expansion Act of 1962, for regulated transportation corporations, and for new life insurance companies.

Net operating losses on which the current-year deduction was based included: (a) the excess of ordinary and necessary business expenses over income in the previous loss years, and (b) statutory special deductions claimed in the loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

The net operating loss deducted for the current year was limited to net income reduced, first, by the deductions for dividends received and for dividends paid on certain preferred stock of public utilities.

Net operating losses incurred by Domestic International Sales Corporations (DISC's) were deductible from net income only if the DISC had been a corporation prior to its election to become a DISC and only for losses incurred prior to the election. The statistics are overstated to the extent small amounts of net operating loss deductions were reported by DISC's without net income; no attempt was made to suppress these amounts for the statistics.

For a "parent-subsidiary" controlled group that had elected separate surtax exemptions for each group member under prior law, but which had shifted to a single group exemption and filed a consolidated re-

turn under subsequent law, special provisions for the treatment of net operating losses of the individual group members applied. The net operating losses of such individual group members sustained in years during which the election of multiple surtax exemptions was in effect could be carried over and deducted from consolidated net income.

(2) Total special deductions.—The total special deductions contained in this report was the sum of the following deductions:

(a) Intercorporate dividends received deduction.—The intercorporate dividends received deduction, under Code sections 243–246, was the sum of the following components:

(1) A deduction equal to 85 percent of dividends received from domestic corporations which were themselves subject to the income tax. This particular deduction accounted for the major portion of the intercorporate dividends received deduction. Since DISC's were not subject to tax, the intercorporate dividends received deduction was not allowed for dividends received by their stockholders. However, if the dividends were paid out of earnings and profits from a year before the election was made to become a DISC, the stockholders were entitled to the deduction for such dividends.

(2) A deduction equal to 85 percent of certain dividends received from foreign corporations (a) which had been engaged in a trade or business within the United States for at least 3 years, and (b) which also had at least 50 percent of their gross income "effectively connected" with the U.S. trade or business.

(3) A transitional deduction equal to 100 percent of certain intragroup dividends received (qualifying under Code section 1564) allowed members of controlled groups claiming multiple surtax exemptions under section 1562. Beginning with the tax year which included December 31, 1970, the former rate of 85 percent was gradually increased by 2.5 percent increments per year for such controlled groups so that for tax years beginning after December 31, 1974, the deduction would be the same 100 percent deduction described below under (4).

(4) A deduction equal to 100 percent of certain intragroup dividends allowed members of controlled groups not electing to file consolidated returns, but sharing instead, a single surtax exemption under Code section 1561.

(5) A deduction equal to 100 percent of dividends received from wholly-owned foreign subsidiaries whose entire gross income was "effectively connected" with the conduct of a trade or business within the United States.

(6) A deduction equal to about 60.2 percent of dividends received on certain preferred stock of public utilities for which a dividends paid deduction, described below, was also allowed the distributing corporation. The applicable percentage was based on the income tax rate.

(7) A deduction equal to 100 percent of dividends received by small business investment companies. For tax returns with net income for the taxable year, there was a limitation on the deduction, based on net income, for dividends received not subject to the 100 percent deduction (Code section 246). For these

returns the deduction could not exceed 85 percent of net income less any Western Hemisphere Trade Corporation deduction (described below) and less any 100 percent deduction for domestic intragroup dividends. This limitation was not applicable if the corporation had no net income for the year. In this case, the deduction became part of the statutory net operating loss previously described. In the case of life insurance companies, the above percentage deductions were further reduced by the ratio of investment yield less total exclusions (operations) to investment yield.

(b) Deduction for dividends paid on certain preferred stock of public utilities.—For public utility companies, as defined by law, a special deduction was allowable under Code section 247 for dividends if paid on certain preferred cumulative stock deemed issued prior to October 1, 1942. This deduction, based on the income tax rate, amounted to about 29.2 percent of the dividends paid on such stock.

If the dividends paid were greater than net income reduced (in general) by all other statutory special deductions for the year, the deduction could not exceed the above-described percentage of net income after this adjustment.

(c) Western Hemisphere Trade Corporation deduction.—This deduction was allowed certain domestic companies which qualified under section 921 of the Code. These companies conducted almost all of their business outside the United States, but within the Western Hemisphere. The deduction was equal to taxable income (computed without regard to the deduction, i.e., net income minus the statutory special deductions for net operating losses and for intercorporate dividends received and for dividends paid on certain public utility stock) multiplied by a fraction having a numerator of 14 percent and a denominator equal to the combined U.S. normal tax rate and surtax rate. The Tax Reform Act of 1976 provided for a phaseout of the 14 percent figure. For 1976, the numerator was 11 percent. The Act also repealed the Western Hemisphere Trade Corporation deduction for taxable years beginning after December 31, 1979.

#### Stockholders' Undistributed Taxable Income Previously Taxed

This end-of-year balance sheet item was the accumulated taxable income, i.e., net income (or deficit), earned by Small Business Corporations since they had first elected to be taxed through their stockholders, to the extent that it had not yet been distributed to the stockholders. Taxable income, whether distributed or not to the stockholders, was taxable to the stockholders in the year earned so that later distributions from this account were nontaxable. (See "Small Business Corporation Returns.") This item is reflected in the statistics for "Retained Earnings, Unappropriated" and "net worth" in those tables which show these items. Additionally, table 8 also shows this item separately.

#### Tax Deferred Income and Income Taxable to Stockholders

This amount represented the net income (less deficit) of a Domestic International Sales Corporation (DISC) minus statutory special deductions (described under a separate heading). This "taxable income" was used in determining the amount of the DISC's earnings and profits that were considered to

be "amounts deemed distributed" to stockholders of the DISC. Generally, taxation on a portion of this amount could be deferred indefinitely and the remainder was taxable to stockholders in the year earned.

See also "Domestic International Sales Corporation Returns."

#### Tax Due at Time of Filing

Tax due was the amount of income tax liability reported as due at the time the return was filed. To show a tax due the return had to have income tax after foreign tax, investment, U.S. possession tax, and work incentive (WIN) credits. For this purpose, the income tax included tax from recomputing prior-year investment credit, tax from recomputing prior-year work incentive (WIN) credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income. Tax due based on this total tax was the amount payable after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for taxes on special fuels, nonhighway gasoline, and lubricating oil.

The entire tax due could be paid with the return at the time of filing, or the corporation could elect to pay the tax due in two equal installments. One installment had to be paid at the prescribed time of filing. The balance was due on or before 3 months after that date.

The amounts shown do not reflect adjustments made after the return was filed. The results of tax audit, the carryback of net operating losses, the carryback of foreign taxes in future years, the carryback of unused investment credit, or the carryback of certain capital losses, affected the final tax liability and the tax due.

#### Taxes Paid

Taxes paid included the amounts reported as an ordinary and necessary business deduction as well as identifiable amounts reported in the cost of goods sold and operations schedules. Included among the deductible taxes were ordinary State and local taxes paid or accrued during the year; social security and payroll taxes; unemployment insurance taxes; import and tariff duties; and business, license and privilege taxes. Income and profits taxes paid to foreign countries or U.S. possessions were also deductible unless claimed as a credit against income tax. However, Small Business Corporations electing to be taxed through their stockholders had to deduct from gross income any foreign taxes they paid. They could not claim a foreign tax credit, nor could they pass these taxes on to their stockholders for their use as a foreign tax credit. (See "Foreign Tax Credit.")

Taxes not deductible included Federal income and excess profits taxes, gift taxes, taxes assessed against local benefits, and Federal taxes paid on interest from tax-free covenant bonds.

Some corporations included sales taxes and excise and related taxes, which were part of the sales price of their products, as receipts. When this occurred, an equal and offsetting amount was usually included in the cost of sales and operations or as part of the separate deduction for taxes paid. When included in the cost of sales and operations, these taxes often were not identifiable and, therefore, could not be included in the statistics for taxes paid.

#### Tax from Recomputing Prior Year Investment Credit

This tax, a recapture of investment credit, was required when depreciable (or amortizable) property

used in computing the investment credit of a prior year was either disposed of or ceased to be qualifying property before the end of its useful life assumed at the time the credit was originally computed.

The tax was payable for the year in which the property was disposed of or became disqualified. It amounted to the difference between the credit originally claimed based on the intended life in the year of acquisition and the credit that would have been allowed based on the actual life in the year of disposition or disqualification. Useful life classes for investment credit purposes were shortened for property acquired after August 15, 1971. The revised useful life classes applied to investment credit property disposed of or disqualified after this date, even if the property was acquired (and the credit claimed) using the longer useful life classes specified under prior law.

Recapture of investment credit was required after August 15, 1971, when investment credit property was effectively disposed of prematurely by reason of casualty or theft. Recapture was also required when the following subsequent elections caused property for which credit had been claimed earlier to cease to be qualifying property: (1) 5-year accelerated depreciation elected for expenditures to rehabilitate low-income rental housing, and (2) 5-year rapid amortization elected for certain expenditures for child care facilities and certain railroad rolling stock.

Unless otherwise indicated, tax from recomputing prior-year investment credit is included in the statistics for "Income Tax" in this report.

See also, "Investment Credit" and the discussion of "Investment Credit" in the Changes in Law in section 2.

#### Tax from Recomputing Prior Year Work Incentive (WIN) Credit

A "recapture" of the work incentive (WIN) program credit was required whenever an employer that had claimed the credit in a prior year (1) terminated without cause the employment of an employee hired under the WIN program, or (2) failed to pay a WIN employee wages comparable with non-WIN employees for the same services. Generally, if the WIN employee's employment did not last at least 24 months, the WIN credit had to be paid back, even though a WIN credit could be taken for only the first 12 months of employment.

The Tax Reduction Act of 1975 included a temporary credit for Aid to Families with Dependent Children (AFDC) program recipients hired under the Social Security Act provisions. (The original WIN credit provisions applied only to AFDC program recipients hired under the WIN program.) The temporary credit, which was first slated to expire July 1, 1976, was extended by the Tax Reform Act of 1976 until January 1, 1980. The Tax Reform Act of 1976 liberalized the recapture provisions for termination of employees hired under the WIN program. See the discussion in the Changes in Law in section 2.

Unless otherwise indicated, tax from recomputing prior year work incentive (WIN) credit is included in the statistics for "Income tax" in this report.

#### Tax Net Income (or Deficit)

In order to facilitate comparison between after-tax book and tax profits in table 9, an effort was made to adjust the net income computed under the Internal Revenue Code (and described under a separate heading) in order to recognize taxes in a consistent manner under the two profit concepts, insofar as possible.

Corporations were asked to report book net income as after income tax. Because the net income under

the Code was reported before taxes, tax net income was the term used for the statistics to describe the net income after it was reduced by the income tax. For this purpose, the taxes subtracted from net income were defined to include the sum of the regular income tax, the additional tax for tax preferences, and the taxes from recomputing prior-year investment and work incentive (WIN) credits, reduced by the current year's investment and WIN credits, but not by the foreign tax credit nor U.S. possessions tax credit.

Thus, an "economic" or "accounting" approach was used to compute tax net income in regard to the treatment of foreign income and taxes to the extent that foreign income was included in the income statistics. The U.S. possessions tax credit was also excluded for this purpose.

It was felt that the corresponding income tax, whether domestic or foreign, should be uniformly reflected to the extent possible in the taxes used in this computation. By disregarding the foreign tax credit, foreign income taxes in effect were recognized as a deduction in arriving at tax net income, just as they were in arriving at book net income. To have done otherwise, by treating these taxes as a credit against U.S. tax, would have meant disregarding the effect of foreign income taxes on tax net income altogether. This was because corporations with a foreign tax credit could be thought of as having satisfied their U.S. income tax liabilities by paying taxes (to the extent of the credit) to foreign governments instead of the U.S. Government. The foreign tax credit was, after all, merely a device to prevent double taxation of foreign income.

This approach to foreign taxes for the statistics has drawbacks. The foreign tax credit, because of the limitations required in its computation, was not synonymous with total foreign income taxes. Because of the carryover provisions, some of the taxes credited for 1976 were actually paid in other years while other amounts, paid on 1976 income, had to be carried to other years for crediting. In addition, most foreign dividends had to be "grossed up" by the foreign taxes deemed paid on this income (see "Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid"). To the extent that such taxes were included as income, tax net income, conceptually, is overstated in comparison to book net income.

The user of the statistics can derive another estimate of tax net income (or deficit) by taking into account only the income tax payable to the United States. Under this approach, the before-tax net income (or deficit) shown in the statistics should be reduced by income tax after the investment and WIN credits, and after the foreign tax credit as well.

Aside from conceptual problems associated with the treatment of foreign income and taxes, it should be noted that Domestic International Sales Corporations (DISC's) and, for the most part, Small Business Corporations electing to be taxed through stockholders, were not subject to the corporation income tax. Therefore, "Tax Net Income (or Deficit)" (the after-tax concept) for these companies is the same as "Net Income (or Deficit)" (the before-tax concept).

See also "Book Net Income (or Deficit)" for some of the other reasons for differences between book and tax profits.

#### Tax Overpayment

This was the amount reported as the excess of payments and credits for the tax already paid over total income tax liability at the time the return was filed. For this purpose, the income tax liability included tax from recomputing prior-year investment credit, tax from recomputing prior-year work incentive (WIN)

credit, additional tax for tax preferences, and tax on undistributed Personal Holding Company income and was reduced by the foreign tax, investment, U.S. possession tax, and work incentive (WIN) credits. Overpayment then, was the excess of payments and credits over total tax liability after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments on estimated tax; and (d) credit for taxes on special fuels, non-highway gasoline, and lubricating oil.

The overpayment could be credited toward the following year's estimated tax, refunded, or partially refunded and partially credited. Some taxpayers, however, failed to indicate the way in which the overpayment was to be treated.

The amounts shown do not reflect adjustments made after the return was filed. The results of audit, the carryback of net operating losses incurred in future years, the carryback of certain foreign taxes in future years used to increase the current-year foreign tax credit, the carryback of unused investment credit or unused WIN credit, or the carryback of certain capital losses, may affect the final tax liability and the tax overpayment.

#### Tax Preference Items

These items constituted the basis (after adjustments described under "Additional Tax for Tax Preferences") upon which the 15 percent additional tax for tax preferences (or "minimum tax") was levied. They comprised various kinds of tax-favored income and deductions, which, in effect, provided corporations with nontaxable "economic" income.

In general, the tax preference items were attributable to U.S. sources. However, the capital gain preference (described below) included amounts from foreign sources if they were not subject to foreign taxation, or if the foreign tax was a preferential one. Other items attributable to foreign sources were treated as preferences only to the extent they reduced U.S. taxable income.

For Small Business Corporations electing to be taxed through their stockholders, all of the tax preference items described below were reported, but only the capital gain preference and the intangible drilling cost preference were taxable to the corporations themselves. The other items were taxable only to the stockholders of such corporations.

Items included as tax preferences were:

(1) Accelerated depreciation (depreciation in excess of the amount computed under the straight-line method) allowed on (a) low-income rental housing, (b) other real property (defined in Code section 1250), and (c) personal property (defined by section 1245) subject to a lease. The tax preference in connection with personal property subject to a lease did not apply to corporations other than Personal Holding Companies and Small Business Corporations electing to be taxed through their stockholders.

(2) Amortization of (a) certified pollution control facilities, (b) railroad rolling stock, (c) on-the-job training facilities, and (d) child care facilities. The tax preference was the excess of these special rapid write-offs over what otherwise would have been a depreciation deduction under section 167.

(3) Reserves for losses on bad debts of financial institutions. Financial institutions (mostly banks and savings and loan associations) were allowed deductions for additions to a reserve for bad debts under prescribed rules. When these deductions exceeded amounts based on the actual bad debt loss experience of the institution (or in the case of a new company, industry experience), the excess was considered a tax

preference. (The appearance of this preference for other than finance division corporations was caused chiefly by the filing of consolidated returns that included finance subsidiaries.)

(4) Depletion. The excess of the depletion deduction over the cost or other basis of the property (reduced by depletion taken in prior years) was a tax preference.

(5) Capital gains. This tax preference was based on the excess of net long-term capital gain over the net short-term capital loss, when these net gains were taxed at the special lower capital gain rate. The amount treated as a preference was this amount multiplied by a ratio of the regular tax rate of 48 percent less the rate applicable to capital gains (generally 30 percent for 1976) to the regular corporate tax rate of 48 percent.

(6) Intangible drilling costs. This was the excess of deductible intangible drilling and development costs incurred in connection with oil and gas wells (other than costs incurred in drilling a nonproductive well) over the amount that would have been deductible if such costs had been capitalized and depreciated under the straight line method.

Items (5) and (6) above were the only tax preferences for which Small Business Corporations electing to be taxed through their stockholders (Form 1120S) would be liable (see the discussion under "Small Business Corporation Returns" in this section). Tax preferences for these corporations were ordinarily passed on to the stockholders for taxation. Regulated investment companies and real estate investment trusts also included capital gains as a tax preference but only to the extent that such gains were not passed on to their stockholders.

#### Tentative Investment Credit

Tentative investment credit represented the earned credit before taking into account the statutory limitations based on the presence and size of income tax.

Prior to January 22, 1975, for most corporations, the tentative credit was equal to 7 percent of investment qualified for credit, an amount based on the cost of certain depreciable purchases and designed to give weight to longer-lived assets. (See "Investment Qualified for Credit.") An exception was made for investment in certain public utility property. Prior law also specified that for such property the otherwise qualified investment should be reduced to four-sevenths of the total amount. As a matter of practical computation, however, the full qualified investment was usually reported, and a 4-percent rate substituted for the 7-percent rate in order to obtain the legal tentative credit.

The Tax Reduction Act of 1975 temporarily (from January 22, 1975 through December 31, 1976) increased the tentative investment credit from 7 percent of qualified investment (4 percent in the case of public utility property) to 10 percent (11 percent under certain conditions) for all corporate taxpayers. (The period of the temporary increase was extended for 4 years through December 31, 1980, by the Tax Reform Act of 1976.) Thus, no special computations for reporting qualified investment of public utility property or the tentative credit on such property were required.

The Tax Reform Act of 1976 also permitted an extra investment credit equal to up to 0.5 percent of the qualified investment of corporations that qualified for the additional 1 percent for participation in an "employee stock ownership plan" (ESOP). The 0.5 percent additional credit was available only to corporations that transferred to the participants' accounts corporate securities held under the ESOP. (See the discussion in the Changes in Law in section 2.)

See the facsimile for Form 3468, Computation of Investment Credit, in section 6 of this report.

#### Total Amounts Deemed Distributed

Generally, stockholders of a Domestic International Sales Corporation (DISC) or former DISC were subject to taxation on amounts deemed or actually distributed from the earnings and profits of the DISC.

Amounts deemed distributed under Code section 995, other than those relating to amounts deemed distributed when a DISC was disqualified, were equal to the stockholder's pro rata share of the sum (subject to limitation discussed below) of the following items:

(1) the gross interest derived from "producer's loans" (i.e., a loan of a DISC's tax-deferred profits to its parent company or any other U.S. corporation which manufactured, produced, grew, or extracted export property);

(2) the gain recognized by the DISC on sales or exchanges of assets which were "nonqualified assets", i.e., property for sale or lease ultimately for use in the United States; property for sale or lease to a related DISC; property subsidized by the U.S. Government; notes and accounts receivable from the sale of these properties; intangible assets, such as patents, trademarks, copyrights (but not films or tapes), or franchises, but only to the extent that the assets had been previously transferred to the DISC in a tax-free transaction;

(3) the gain, other than that described in (2) above, recognized on the sale or exchange of depreciable assets (other than "export property" (i.e., property which (1) had been manufactured, produced, grown or extracted in the United States by other than a DISC; (2) was held primarily for sale or lease in the ordinary course of business for direct use, consumption, or disposition outside the United States; and (3) had at the time of sale or lease by the DISC not more than one-half of its fair market value attributable to imported articles)) regardless of whether it was a "qualified asset" (i.e., those assets other than "nonqualified assets," described above), but only to the extent that the assets had been previously transferred to the DISC in a tax-free transaction. This distribution was equal to the gain realized by the DISC to the extent ordinary income would have been realized if the assets had been sold by the "person" that transferred them to the DISC at the time of the transfer);

(4) one-half of the taxable income of the DISC for the taxable year attributable to "military property" (i.e., property which is an arm, ammunition, or implement of war designated pursuant to the Military Security Act of 1954);

(5) the taxable income for the taxable year attributable to "base period export gross receipts;"

(6) one-half of the amount computed by subtracting the amounts under (1) through (5) above from the combined total for "tax deferred income and income taxable to stockholders;"

(7) international boycott income as determined under Code section 999 (see the discussion under Changes in Law in section 2);

(8) illegal bribes, kickbacks and other payments paid by or for the DISC to a representative of a foreign government; and

(9) foreign investment attributable to producer's loans.

The sum of the amounts deemed distributed in (1) through (8) above was limited to the DISC's earnings and profits for the current taxable year. However, the amount deemed distributed from foreign investment attributable to producer's loans under (9) above was not limited to the DISC's current earnings and profits for the taxable year, but instead was limited to the lower of either the "accumulated DISC income" or the DISC's accumulated earnings and profits for the current and all prior years.

Amounts deemed distributed also included those distributions considered received by stockholders when

a DISC revoked its election or failed to satisfy the qualifications to be treated as a DISC for a given year. In this case, under Code section 995, the stockholders were regarded as having received a distribution of all accumulated DISC income in equal installments on the last day of each of 10 taxable years of the DISC following the year of revocation or disqualification. However, if the DISC was not qualified for 10 consecutive years to start with, the installment period was the shorter of ten years or twice the number of years that the DISC was qualified. These amounts deemed distributed upon revocation or disqualification were required to be included in the income of the stockholders even if the corporation subsequently requalified as a DISC.

See the Changes in Law in section 2 for effect of the Tax Reform Act of 1976 on DISC operations.

#### Total Assets and Total Liabilities

Total assets and total liabilities were those reported in the end-of-year balance sheet in the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts. When reserves for bad debts were reported as liabilities, they were treated as reductions from the asset accounts to which they related and the totals of assets and liabilities were adjusted accordingly. In addition, total liabilities were net amounts after reduction by the cost of Treasury stock. Moreover, when Treasury stock intended for resale was identified in "Other investments" on the asset side of the balance sheet, it was moved to the liability side for the statistics, and the totals of assets and liabilities were also adjusted.

Asset and liability estimates for returns of corporations that failed to provide complete balance sheet information were imputed from data in other schedules on the return form or by using either reference books or relationships between income statement and balance sheet items on similar returns in the same industrial group.

Because Forms 1120L and 1120M used by life insurance companies and certain mutual insurance companies did not provide for the complete reporting of balance sheet information, asset and liability data for these companies were obtained from reference books or from balance sheets filed with the returns in the form required by State law. These sources were also used for any other insurance companies, not filing returns on Forms 1120L or 1120M, which filed balance sheets in the form required by State law in lieu of the income tax return schedule. (See also, "Size of Total Assets.")

#### Total Deductions

As presented in the tables of this publication, total deductions comprised (1) the cost of sales and operations, (2) the ordinary and necessary business deductions from gross income, and (3) net loss from sales of noncapital assets. Components of total deductions are shown in the income statement segment of various tables throughout this report.

For certain mutual insurance companies, with total receipts under \$500,000, total deductions represents only investment expenses; business expenses were excluded by law.

#### Total Receipts

The components of total receipts are shown in the income statement segment of various tables throughout this report. This amount was derived as follows:

Included items--(1) Gross taxable receipts (before deduction of cost of sales and operations, ordinary

and necessary business expenses, and net loss from sales of noncapital assets), and (2) Nontaxable interest received from State and local Government obligations.

Excluded items--(1) Other nontaxable income recognized by the corporation, and (2) Certain taxable income from related foreign corporations only constructively received.

For certain mutual insurance companies, with total receipts under \$500,000, the gross taxable receipts included in the statistics represent only the receipts from investments; operating income was excluded by law.

#### Total Receipts Less Total Deductions

This item differed from net income (less deficit) for tax purposes in that it included nontaxable "Interest on State and Local Government Obligations" and excluded "Constructive Taxable Income from Related Foreign Corporations." As such, it included all of the income "actually" (as opposed to "constructively") received by the corporation and reported on the income tax return.

#### U.S. Possessions Tax Credit

The Tax Reform Act of 1976 added a new tax credit for electing domestic corporations operating a trade or business in Puerto Rico or in U.S. possessions, including American Samoa, Guam, Johnston Island, Midway Islands, the Panama Canal Zone, and Wake Island, but not the Virgin Islands. This possessions tax credit was equal to the U.S. tax on the domestic corporation's taxable income from a possession for taxable years beginning after December 31, 1975, and was allowed in lieu of the foreign tax credit (or in lieu of a deduction for foreign taxes in arriving at total taxable income).

See the discussion under Changes in Law in section 2.

#### Work Incentive (WIN) Credit

This credit was intended to expand job opportunities for Aid to Families with Dependent Children (AFDC) program recipients. Taxpayers were allowed a credit against their income tax liability if they were engaged in a trade or business and hired AFDC recipients under the Work Incentive (WIN) program of the Social Security Act (as authorized by the Revenue Act of 1971) or if they hired AFDC recipients under the Social Security Act, regardless of whether or not they were covered by the WIN program (as authorized by the Tax Reduction Act of 1975).

The credit equalled: (1) 20 percent of WIN Program expenses, i.e., salaries and wages (described below) that were paid WIN program participants; and (2) 20 percent of Federal welfare recipient employment incentive expenses, i.e., wages that were paid to AFDC recipients hired after March 29, 1975, for services rendered to the corporation before July 1, 1976. (This date was extended to January 1, 1980, by the Tax Reform Act of 1976.) A tax credit for wages paid to an individual was allowable under either the original WIN rules or the 1975 Federal welfare recipients employment incentive rules, but not both. See the discussion under Changes in Law in section 2.

Under the original WIN program, to qualify as WIN program expenses, salaries and wages must have:

(1) been paid to employees certified by the Secretary of Labor as being from the WIN program and the employees could not have displaced any individual from employment,

(2) consisted entirely of cash remuneration,

(3) been paid or incurred:

(a) for services rendered during the first 12 months of employment (although the employee must have been employed for at least 24 months, the first 12

months could span a 24-month period, after which, the employee must have been employed for 12 months consecutively), and

(b) in the employer's trade or business,

(4) not been less than wages paid to the non-WIN employees performing comparable services,

(5) not been reimbursed to the employer (if so, the expenses, for credit purposes, were disregarded to the extent of the reimbursement), and

(6) not been paid or incurred:

(a) for employment outside the United States,

(b) after the end of the 24-month period beginning with the first day of the employee's employment (the employee's total months of employment must have equalled 12 on or before the end of this period), and

(c) to an ineligible individual (in the case of corporations, an employee who owned directly or indirectly more than 50 percent of the value of the corporation's stock; or was a relative of such an employee).

The Federal welfare recipient employment incentive rules applied solely to the employment of an AFDC recipient who:

(1) had continuously received AFDC financial assistance during the 90-day period immediately before being hired,

(2) had been employed by the corporation for a period in excess of 30 consecutive days on a substantially full-time basis,

(3) had not displaced any other employee, and

(4) was not a migrant worker (i.e., an individual who was employed for services for which the customary period of employment by one employer was less than 30 days and if the nature of such services required the employee to travel from place to place for a short period of time).

Unlike the original WIN program, WIN credit for wages paid AFDC recipients could also be claimed when the employee's services were not performed in connection with the trade or business of the corporation. Additionally, under the 1976 Act, qualifying wages paid to AFDC recipients were limited to 12 months, whether consecutive or not, of employment.

The amounts of WIN credit allowed under the Federal welfare recipients employment incentive expense provisions and under the 1971 Act were tentative. These credits were combined on Form 4874, Credit for Work Incentive (WIN) Program Expenses, and represented earned credit before the limitations based on the presence or size of income tax. The WIN credit was applied against tax liability that had first been reduced by foreign tax, investment and U.S. possessions credits, respectively. Tax which could be reduced by the credit did not include tax from recomputing a prior-year investment credit, tax from recomputing a prior-year WIN credit, additional tax for tax preferences, Personal Holding Company tax, or the special capital gains tax on Small Business Corporations.

Under the limitation based on size of income tax, the credit could not exceed \$25,000 plus 50 percent of tax in excess of \$25,000. The limitation was uniquely applied to members of controlled groups (as defined by Code section 1563) in that the \$25,000 cutoff applied to the group as a whole and, thus, had to be apportioned among the component members of the group when separate tax returns were filed for each member.

The Tax Reform Act of 1976 raised the limit on both the WIN credit and the welfare recipient tax credit from \$25,000 to \$50,000 of tax plus one-half of the excess tax liability over \$50,000 for each credit.

For Small Business Corporations electing to be taxed through their stockholders, WIN program expenses and Federal welfare recipient employment incentive expenses were allocated among the end-of-the-taxable-year stockholders for use in computing their own WIN credit.

Unused WIN credit, the amount in excess of the limitation based on the size or presence of tax, could (a) be carried back or forward for use in other years under the original WIN rules, or (b) be carried forward only for use in other years under the 1975 Federal welfare recipients employment incentive rules. Unused WIN credit based on the original WIN rules had to be first carried back, chronologically, for use in the 3 preceding taxable years. Any amount remaining could then be carried over to the 7 succeeding years, in chronological order. Unused WIN credit based on the 1975 rules, however, could only be carried over, chronologically, to the 7 succeeding years. The unused credit carryback and carryover could be used to reduce the income tax liability for years to which it was carried provided it was within the limitation based on size of tax for that year.

Under provision of the original WIN program, if the participant was involuntarily terminated at any time during the first 12 months of employment or before the close of the 12th calendar month of employment thereafter, any WIN credit taken for that particular participant had to be recaptured. The recapture resulted in an increase in the employer's income tax liability, for the year of the termination, by the amount of the disallowed WIN credit. Under the 1975 Federal welfare recipients employment incentive rules, the employer was not subject to these recapture provisions for the newly-added WIN credit.

Under the 1976 Act, the WIN credit was made available from the date of hiring if employment was not terminated without cause before the end of 90 days after the first 90 days of employment.

The Tax Reform Act of 1976 also made the following provisions applicable: (1) there was no recapture of WIN credit if the employee was laid off due to substantial reduction in business; (2) there was a limit of 12 months (whether or not consecutive) for which the wages of any one employee were eligible for the welfare recipient tax credit; (3) the expiration date of the welfare recipient tax credit was extended through December 31, 1979; and (4) WIN agencies could certify eligibility for the welfare recipient tax credit.

#### Zero Assets

In general, included in this total assets-size class were:

(1) final returns of liquidating or dissolving corporations which had disposed of all assets,

(2) final returns of merging corporations whose assets and liabilities were reported in the returns of the acquiring corporations,

(3) part-year returns of corporations (except initial returns of newly incorporated businesses), and

(4) returns of foreign corporations with income "effectively connected" with the conduct of a trade or business in the United States (however, balance sheet data for U.S. branches of foreign insurance companies are included in the statistics and are classified by the size of total assets of these branches).

## Section 6

## Facsimiles of Returns Used

### Contents

#### Form 1120

U.S. Corporation income tax return, 132

#### Schedule D, Form 1120

Capital gains and losses, 138

#### Form 1120-DISC

Domestic International Sales Corporation return, 139

#### Form 1120F

U.S. Income tax return of foreign corporation, 146

#### Form 1120L

U.S. Life insurance company income tax return, 153

#### Schedule D, Form 1120L

U.S. Life insurance company sales or exchanges of  
property, 160

#### Form 1120M

U.S. Mutual insurance company income tax return, 162

#### Form 1120S

U.S. Small Business Corporation income tax return, 168

#### Schedule D, Form 1120S

Capital gains and losses, 174

#### Form 3468

Computation of investment credit, 175

#### Form 4626

Computation of minimum tax, 177

#### Form 4874

Credit for Work incentive (WIN) programs expenses, 179

#### Form 970

Application to use LIFO Inventory Method, 180

[illegible]

|   |  |  |
|---|--|--|
| <b>Schedule I</b><br>Special Deductions   | 1 (a) 85% of line 1, Schedule C . . . . .  |  |
|   | (b) 60.208% of line 2, Schedule C . . . . .  |  |
|   | (c) 85% of line 3, Schedule C . . . . .  |  |
|   | (d) 100% of line 4, Schedule C . . . . .   |  |
|   | 2 Total—See instructions for limitation . . . . .  |  |
|   | 3 100% of line 8, Schedule C . . . . .   |  |
|   | 4 Enter dividends received deduction allowed for dividends reported on line 9, Sch. C. See section 1564(b) for computation . . . . . |  |
| <b>Schedule J</b><br>Tax Computation  | 5 Dividends paid on certain preferred stock of public utilities (see instructions) . . . . .   |  |
|   | 6 Western Hemisphere trade corporations (see instructions) . . . . .   |  |
|   | 7 Total special deductions—Add lines 2 through 6. Enter here and on line 29(b), page 1 . . . . .                                     |  |
|   | 1 Taxable income (line 30, page 1) . . . . .   |  |
|   | 2 Enter line 1 or \$25,000, whichever is lesser. (Members of a controlled group, see instructions) . . . . .                         |  |
|   | 3 Line 1 less line 2 . . . . .   |  |
|   | 4 Enter line 3 or \$25,000, whichever is lesser. (Members of a controlled group, see instructions) . . . . .                         |  |
|   | 5 Line 3 less line 4 . . . . .   |  |
|   | 6 20% of line 2 . . . . .  |  |
|   | 7 22% of line 4 . . . . .  |  |
|   | 8 48% of line 5 . . . . .  |  |
|   | 9 Income tax (Sum of lines 6, 7 and 8 or alternative tax from separate Schedule D, whichever is lesser) . . . . .                    |  |
|   | 10 (a) Foreign tax credit (attach Form 1118) . . . . .   |  |
|   | (b) Investment credit (attach Form 3468) . . . . .   |  |
|   | (c) Work incentive (WIN) credit (attach Form 4874) . . . . .   |  |
|   | 11 Total of lines 10(a), (b), and (c) . . . . .  |  |
|   | 12 Line 9 less line 11 . . . . .   |  |
| 13 Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .                      |  |  |
| 14 Tax from recomputing a prior year investment credit (attach Form 4255) . . . . .             |  |  |
| 15 Tax from recomputing a prior year WIN credit (see instructions—attach computation) . . . . . |  |  |
| 16 Minimum tax on tax preference items (see instructions—attach Form 4626) . . . . .            |  |  |
| 17 Total tax—Add lines 12 through 16. Enter here and on line 31, page 1 . . . . .               |  |  |

**Schedule K** Record of Federal Tax Deposits Class Tax Number 503 (List deposits in order of date made—See instruction 6)

| Date of deposit | Amount | Date of deposit | Amount | Date of deposit | Amount |
|-----------------|--------|-----------------|--------|-----------------|--------|
|                 |        |                 |        |                 |        |
|                 |        |                 |        |                 |        |
|                 |        |                 |        |                 |        |
|                 |        |                 |        |                 |        |

## G Did you claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.) . . . . .
- (2) Living accommodations (except for employees on business)? . . . . .
- (3) Employees' families at conventions or meetings? . . . . .
- (4) Employee or family vacations not reported on Form W-2? . . . . .
- H (1) Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) . . . . .
- If "Yes," attach a schedule showing:
- (a) name, address, and identifying number;
- (b) percentage owned; and
- (c) taxable income or (loss) (e.g., if a Form 1120: from line 30, page 1, Form 1120) of such corporation for the taxable year ending with or within your taxable year.
- (2) Did any individual, partnership, corporation, estate or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) . . . . .
- If "Yes:"
- (a) Attach a schedule showing name, address, and identifying number.
- (b) Enter percentage owned . . . . .
- (c) Was the owner of such voting stock a person other than a U.S. person? (See instruction I.) . . . . .
- If "Yes," enter owner's country . . . . .
- I Did you ever declare a stock dividend? . . . . .
- J Taxable income or (loss) from line 30, page 1, Form 1120 for your taxable year beginning in: . . . . .
- 1973 . . . . . 1974 . . . . . 1975 . . . . .
- K Were you a member of a controlled group subject to the provisions of Section 1561? . . . . .

## If "Yes," check the type of relationship:

- (1) ☐ parent-subsidiary (2) ☐ brother-sister
- (3) ☐ combination of (1) and (2) (See section 1563.)

## L Refer to page 7 of instructions and state the principal:

- Business activity . . . . .
- Product or service . . . . .

## M Did you file all required Forms 1087, 1096 and 1099?

- N Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) . . . . .
- If "Yes," attach Form 3646 for each such corporation.

## O If you are a farmers' cooperative, check type:

- ☐ purchasing ☐ marketing ☐ service
- Other (explain) . . . . .

## P During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316.) . . . . .

## If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 951, Affiliations Schedule, for each subsidiary.

## Q Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.) . . . . .

## R Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," attach Form 4683. (For definitions, see Form 4683.) . . . . .

| Schedule L Balance Sheets            |   | Beginning of taxable year |           | End of taxable year |           |
|--------------------------------------|---|---------------------------|-----------|---------------------|-----------|
| ASSETS                               |   | (A) Amount                | (B) Total | (C) Amount          | (D) Total |
| 1                                    | Cash . . . . .  |                           |           |                     |           |
| 2                                    | Trade notes and accounts receivable . . . . .               |                           |           |                     |           |
|                                      | (a) Less allowance for bad debts . . . . .                  |                           |           |                     |           |
| 3                                    | Inventories . . . . .                                       |                           |           |                     |           |
| 4                                    | Gov't obligations: (a) U.S. and instrumentalities . . . . . |                           |           |                     |           |
|                                      | (b) State, subdivisions thereof, etc. . . . .               |                           |           |                     |           |
| 5                                    | Other current assets (attach schedule) . . . . .            |                           |           |                     |           |
| 6                                    | Loans to stockholders . . . . .                             |                           |           |                     |           |
| 7                                    | Mortgage and real estate loans . . . . .                    |                           |           |                     |           |
| 8                                    | Other investments (attach schedule) . . . . .               |                           |           |                     |           |
| 9                                    | Buildings and other fixed depreciable assets . . . . .      |                           |           |                     |           |
|                                      | (a) Less accumulated depreciation . . . . .                 |                           |           |                     |           |
| 10                                   | Depletable assets . . . . .                                 |                           |           |                     |           |
|                                      | (a) Less accumulated depletion . . . . .                    |                           |           |                     |           |
| 11                                   | Land (net of any amortization) . . . . .                    |                           |           |                     |           |
| 12                                   | Intangible assets (amortizable only) . . . . .              |                           |           |                     |           |
|                                      | (a) Less accumulated amortization . . . . .                 |                           |           |                     |           |
| 13                                   | Other assets (attach schedule) . . . . .                    |                           |           |                     |           |
| 14                                   | Total assets . . . . .                                      |                           |           |                     |           |
| LIABILITIES AND STOCKHOLDERS' EQUITY |   |                           |           |                     |           |
| 15                                   | Accounts payable . . . . .                                  |                           |           |                     |           |
| 16                                   | Mtgs., notes, bonds payable in less than 1 yr. . . . .      |                           |           |                     |           |
| 17                                   | Other current liabilities (attach schedule) . . . . .       |                           |           |                     |           |
| 18                                   | Loans from stockholders . . . . .                           |                           |           |                     |           |
| 19                                   | Mtgs., notes, bonds payable in 1 yr. or more . . . . .      |                           |           |                     |           |
| 20                                   | Other liabilities (attach schedule) . . . . .               |                           |           |                     |           |
| 21                                   | Capital stock: (a) Preferred stock . . . . .                |                           |           |                     |           |
|                                      | (b) Common stock . . . . .                                  |                           |           |                     |           |
| 22                                   | Paid-in or capital surplus . . . . .                        |                           |           |                     |           |
| 23                                   | Retained earnings—Appropriated (attach sch.) . . . . .      |                           |           |                     |           |
| 24                                   | Retained earnings—Unappropriated . . . . .                  |                           |           |                     |           |
| 25                                   | Less cost of treasury stock . . . . .                       |                           |           |                     |           |
| 26                                   | Total liabilities and stockholders' equity . . . . .        |                           |           |                     |           |

**Schedule M-1** Reconciliation of Income Per Books With Income Per Return

|  |   |
|--|---|
| 1 Net income per books . . . . .   | 7 Income recorded on books this year not included in this return (itemize)          |
| 2 Federal income tax . . . . .   | (a) Tax-exempt interest \$ . . . . .  |
| 3 Excess of capital losses over capital gains . . . . .                      | 8 Deductions in this tax return not charged against book income this year (itemize) |
| 4 Income subject to tax not recorded on books this year (itemize) . . . . .  | (a) Depreciation . . . . .  |
| 5 Expenses recorded on books this year not deducted in this return (itemize) | (b) Depletion . . . . .   |
| (a) Depreciation . . . . .   |   |
| (b) Depletion . . . . .  |   |
| 6 Total of lines 1 through 5 . . . . .                                       | 9 Total of lines 7 and 8 . . . . .  |
| 10 Income (line 28, page 1)—line 6 less 9 . . . . .                          |   |

**Schedule M-2** Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

|  |  |
|--|--|
| 1 Balance at beginning of year . . . . . | 5 Distributions: (a) Cash . . . . .                |
| 2 Net income per books . . . . .         | (b) Stock . . . . .                                |
| 3 Other increases (itemize) . . . . .    | (c) Property . . . . .                             |
| 4 Total of lines 1, 2, and 3 . . . . .   | 6 Other decreases (itemize) . . . . .              |
|  | 7 Total of lines 5 and 6 . . . . .                 |
|  | 8 Balance at end of year (line 4 less 7) . . . . . |

# 1976 Department of the Treasury Internal Revenue Service Instructions for Form 1120 U.S. Corporation Income Tax Return (References are to the Internal Revenue Code.)

## General Instructions

### A. Who must file Form 1120.—

1. Domestic corporations, whether or not having any taxable income, unless exempt under section 501.
2. Real estate investment trusts defined in section 856.
3. Regulated investment companies defined in section 851.
4. Insurance companies described in section 831.

### B. Returns required of certain organizations.—

1. Foreign corporations other than life and mutual insurance companies filing Forms 1120-L and 1120-M—file Form 1120-F.
2. Life insurance companies (section 802)—file Form 1120-L.
3. Mutual insurance companies (section 821)—file Form 1120-M.
4. Exempt farmers' cooperatives (section 1381)—file Form 990-C.
5. Exempt organizations with unrelated trade or business income—file Form 990-T.
6. Small business corporations (section 1372(a))—file Form 1120-S.
7. Domestic International Sales Corporations (section 992)—file Form 1120-DISC.
8. Political organizations (section 527)—file Form 1120-POL.
9. Homeowners Association (section 528)—file Form 1120-H.

### C. Where to file.—

If the corporation's principal business, office, or agency is located in Use this address

|   |   |
|---|---|
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester  | Internal Revenue Service Center<br>1040 Waverly Avenue<br>Holtzville, N.Y. 11939        |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont                                | Internal Revenue Service Center<br>310 Lowell Street<br>Andover, Mass. 01812            |
| Alabama, Florida, Georgia, Mississippi, South Carolina  | Internal Revenue Service Center<br>4800 Buford Highway<br>Chamblee, Georgia 30006       |
| Michigan, Ohio  | Internal Revenue Service Center<br>Cincinnati, Ohio 45298                               |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas  | Internal Revenue Service Center<br>3651 S. Interregional Highway<br>Austin, Texas 78740 |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Internal Revenue Service Center<br>1150 West 1200 South Street<br>Ogden, Utah 84201     |

|   |   |
|---|---|
| Illinois, Iowa, Missouri, Wisconsin                                   | Internal Revenue Service Center<br>2306 E. Bannister Road<br>Kansas City, Mo. 64170     |
| California, Hawaii  | Internal Revenue Service Center<br>8045 East Butler Avenue<br>Fresno, California 93288  |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia | Internal Revenue Service Center<br>3121 Democrat Road<br>Memphis, Tenn. 38110           |
| Delaware, District of Columbia, Maryland, Pennsylvania                | Internal Revenue Service Center<br>11601 Roosevelt Boulevard<br>Philadelphia, Pa. 19155 |

Corporations having their principal place of business outside the United States or claiming a credit under section 936 (relating to possessions tax credit) must file with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation that keeps all the books and records is located.

**D. When to file.**—In general, Form 1120 must be filed on or before the 15th day of the 3d month after the end of the taxable year.

You may request an automatic 3-month extension of time to file Form 1120 by filing Form 7004.

Form 7005 may be used to request an additional extension but only by corporations that have previously obtained an automatic 3-month extension by filing Form 7004.

### E. Information returns and forms that may be required.—

1. Forms W-2 and W-3.—Employee's wage and tax statement; and transmittal of income and tax statements.
2. Form W-2P.—Statement for recipients of annuities, pensions or retired pay.
3. Forms 1087-DIV, INT, MED, MISC, and OID.—Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.
4. Form 1096.—Annual summary and transmittal of U.S. information returns.
5. Form 5452.—Corporate report of nontaxable dividends.

6. Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

7. Forms 1099-DIV, INT, MED, MISC, OID, PATR, and R.—Information returns for reporting certain dividends, interest income, medical and health care payments, miscellaneous income payments, original issue discount, patronage dividends, and lump-sum distributions from profit-sharing and retirement plans.

8. Forms 3921, 3922, and 4067.—Information returns concerning exercise of certain stock options and the transfer of stock acquired by certain options.

**F. Period to be covered by 1976 return.**—File the 1976 return for calendar year 1976 and fiscal years beginning in 1976 and ending in 1977. If the return is for a fiscal year, fill in the taxable year on the form.

**FINAL RETURNS.**—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**G. Depositary method of tax payment.**—The balance of the tax due (line 33) must be paid in full when the return is filed or in two installments, 50% by the 15th day of the 3d month and 50% by the 15th day of the 6th month after the end of the taxable year.

All corporation income tax payments and estimated income tax payments must be deposited with an authorized commercial bank depositary or Federal Reserve Bank, with a Federal Tax Deposit Form prescribed with a Tax Class Number 503, in accordance with instructions appearing on the reverse of that form. Each deposit must be accompanied by a Federal Tax Deposit Form prescribed with a Tax Class Number 503. Do not remit directly to Internal Revenue. Records of deposits will be sent to Internal Revenue for crediting to the corporation's account.

In Schedule K, list all Tax Class Number 503 deposits that relate to the taxable year for which this return is filed and which were made before or simultaneously with the filing of this return.

Timeliness of deposits will be determined by the date the deposit was recorded as received by the commercial bank depositary or Federal Reserve bank.

Federal Tax Deposit Forms prescribed with a Tax Class Number 503 will be mailed to corporations on a cyclical basis depending on the taxable year of the corporation. Corporations needing such deposit forms may obtain them from the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

**H. Change in accounting period.**—To change your accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period. Real estate investment trusts, with taxable years beginning after October 4, 1976, see section 860.

**I. Accounting methods.**—Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first obtaining consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—The money items may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

**J. Estimated tax.**—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

See Form 1120-W which may be used as a worksheet to compute estimated tax. If you overpaid estimated tax, you may apply on Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of expected income tax liability AND (2) at least \$500. This application must be made within 2½ months after the end of the taxable year and before you file your tax return.

**K. Consolidated returns.**—The parent corporation must attach Form 851, Affiliations Schedule, to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach Form 1122.

File supporting schedules for each corporation included in the consolidated return. The schedules must be in columnar form and show, both before and after adjustments, the items of gross income and deductions, a computation of taxable income, balance sheets as of the beginning and end of the taxable year, and a reconciliation of retained earnings. Also attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

**L. Stock ownership in foreign corporations.**—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you control a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

**M. Financial statements.**—The balance sheets must agree with your books and records. Any differences must be reconciled. Copies of balance sheets required by Federal, State, etc., authorities may be used in place of Schedule L. Certificates of deposit should be included as cash on line 1 of the balance sheet.

Banks, insurance companies, and other corporations required to submit substantially similar statements of income and expense to any Federal, State, etc., authority may submit copies of such statements in place of the information required on lines 1 through 30, page 1. Railroads may substitute Form 1090. In such cases, taxable income must be reconciled in Schedule M-1 with the net profit shown on the statement and entered as line 30, page 1.

Financial statements are to be completed in accordance with the method of accounting used in computing taxable income.

**N. Attachments.**—If more space is needed on forms or schedules, attach separate sheets and use the same arrangement as the printed forms, but show the totals on the printed forms. Be sure to put the taxpayer's name and employer identification number on these separate sheets.

**O. Amended return.**—Use Form 1120X to correct any error in a previously filed income tax return.

**P. Transfers to corporation controlled by transferor.**—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by section 1.351-3 of the regulations.

**Q. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If the person who prepares the return for pay is not an employee of a firm, corporation or another individual, then that person must sign the return as preparer and enter his or her social security number and address. If the person who prepares the return for pay is an employee of a firm, corporation or another individual, then that person must sign the return and enter the employer's name, identification number, and address. If prepared by the taxpayer's regular, full-time employee, such as a clerk, secretary, or bookkeeper, the employee does not have to sign.

**R. Total assets.**—If there are no assets at the end of the taxable year, show the total assets as of the beginning of the taxable year.

**S. Corporations that liquidate within one calendar month under section 333.**—Such corporations should attach a computation (following the format in Rev. Proc. 65-10, 1965-1 C.B. 738, as modified by Rev. Proc. 67-12, 1967-1 C.B. 589) of accumulated earnings and profits including all items of income and expense accrued up to the date the transfer of all property is completed.

**T. U.S. person.**—(See question H (2)(c), page 3, Form 1120.)—The term "U.S. person" means: (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, or (4) any estate or trust (other than a foreign estate or trust) within the meaning of section 7701(a)(31).

Owner's country, for individuals, is their country of residence. For all others, it is the country where incorporated, organized, created, or administered.

### U. Penalties.—

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate pursuant to section 6621.

If you underpaid estimated tax and believe a penalty charge should not be assessed, attach Form 2220.

**V. Real Estate Investment Trusts (REITs).**—New rules apply to Real Estate Investment Trusts; see sections 856-860. Attach schedules where applicable.

**W. Foreign Bank, Securities and Other Financial Accounts, and Grantors, Trans-**

**Teror or Beneficiaries of Foreign Trusts.**—Form 4683 must be completed by a person:

1. who has any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution), or

2. who was the grantor of, or transferor to, a foreign trust, during any taxable year, which foreign trust was in being during the current taxable year, whether or not that person has any beneficial interest in such trust.

Please note that this year Form 4683 must be filed by taxpayers having any interest in a foreign trust. In prior years this form was required to report an interest in a trust only if the interest was more than a 50% interest.

### Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

**Item D. Employer Identification Number.** Enter the employer identification number (EIN) assigned to the corporation.

Corporations who do not have an EIN should apply for one on Form SS-4, available from any IRS or Social Security Administration office. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120 is sent.

### Gross Income

**1. Gross receipts.**—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see section 1.451-5 of the regulations.

If you use the installment method of reporting, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profits, (d) percentage of gross profits to gross sales, (e) amount collected, and (f) gross profit on amount collected.

**2. Cost of goods sold.**—The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115.

If you elect to use the last-in first-out (LIFO) method of valuing inventory provided in section 472, attach Form 970 or a statement that contains the information required by Form 970 to your return for the first year that method is to be used.

**Full absorption method of inventory costing.**—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method

under which both direct and certain indirect production costs are included for inventory value purposes. The change to full absorption may be made by filing Form 3115. For further details, see Rev. Proc. 75-40, 1975-2, C.B. 571 and section 1.471-11 of the regulations.

**Cost of operations (where inventories are not an income-determining factor).**—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

**4. Dividends.**—(Numbered to correspond with line numbers in Schedule C.)

[1.] Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(a)(1). Include on this line taxable distributions from a DISC or former DISC that are designated as being eligible for the 85% deduction.

Small business investment companies must enter dividends received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of such dividends in line 1 of Schedule I. For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends.

[2.] Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

[3.] Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

[4.] Enter dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the U.S.

This 100% deduction does not apply if an election under section 1562 (election of multiple surtax exemptions by a controlled group of corporations) was effective for the taxable year of the foreign corporation out of the earnings and profits of which the dividends are paid.

[5.] Enter foreign dividends (including minimum distributions under subpart F) not reportable on lines 3 and 4.

Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.

[6.] Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, Form(s) 3646.

[7.] Include gross-up for taxes deemed paid under sections 902 and 960.

[8.] Enter only those dividends subject to the elective provisions of section 243(b) and are entitled to the 100% dividends-received deduction under section 243(a)(3). Corporations making this election are subject to the provisions of section 1561.

[9.] Enter only those dividends that are subject to the elective provisions of section 243(b) and are entitled to the dividends-received deduction as computed under the provisions of section 1564(b).

[10.] Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% deduction.

[11.] Include dividends (other than capital gain dividends and exempt interest dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856-860; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

**6. Other interest.**—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

**7. Gross rents.**—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation in the proper lines for deductions.

**9(a). Net capital gains.**—Every sale or exchange of a capital asset must be reported in detail in Schedule D even though no gain or loss is indicated.

If the net long-term capital gain exceeds the net short-term capital loss, or in case of only a net long-term capital gain, compute the alternative tax on separate Schedule D to see if it produces a lesser tax.

**9(b). Ordinary gain or (loss).**—Enter the total ordinary gain or loss from line 9, Part II, Form 4797.

**10. Other income.**—The attached schedule should include recoveries of

bad debts deducted in prior years under the specific charge-off method. Refunds of taxes deducted in prior years should be reported here and not offset against current year's taxes.

If "other income" consists of only one item, you may identify it by showing the account caption in parentheses on line 10.

### Deductions

**12. Compensation of officers.**—Complete columns 1 through 7, Schedule E for all officers. Complete column 8, Schedule E for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 8 does not have to be completed for any officer for whom the combined amount is less than \$30,000. This information is to be submitted by each member of an affiliated group included in a consolidated return.

**14. Repairs.**—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include in this line the total amount of repairs from Form 4332.

**15. Bad debts.**—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.) Application to change the method of computing bad debts must be made on Form 3115.

**17. Taxes.**—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax.

Do not include Federal income taxes, foreign or U.S. possession income taxes if a foreign/possession tax credit is claimed, or taxes not imposed on the corporation. See section 164(d) for apportionment of taxes on real property between seller and purchaser.

**18. Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

Mutual savings banks, building and loan associations, and cooperative banks should enter amounts paid or credited to the accounts of depositors as dividends, interest, or earnings.

See section 267 for limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

Generally, a cash basis taxpayer, who in 1976 prepaid interest allocable to any period after 1976, can only deduct the amount allocable to 1976. However, if prepayment is required by a binding contract or written loan commitment that existed on September 16, 1975 (and at all times thereafter), such prepaid interest is deductible if paid in 1976, if the deduction of such interest would not materially distort income.

**19. Contributions.**—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) any capital loss carryback to the taxable year under section 1212(a)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month after the end of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If you make a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income, short-term capital gain and
  - (2) for certain contributions, 62½% of the long-term capital gain,
- that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions

of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).) For special rules regarding the contribution of inventory, and other ordinary income property (described in section 1221(1) or (2)), made after October 4, 1976, in taxable years ending after such date, to an exempt organization described in section 501(c)(3), for use in the care of the ill, needy, or infants, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If you take a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**20. Amortization.**—If you claim a deduction for amortization, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months.

Also see section 188 for conditions under which certain expenditures for on-the-job training and child care facilities may be amortized over 60 months.

See new section 191 under which the costs incurred in a certified rehabilitation of a historic structure may be amortized over a 60-month period.

**21. Depreciation.**—See instructions for Schedule G.

**22. Depletion.**—See section 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

**24. Pension, profit-sharing, etc. plans.**—Complete Form 5500 for each of your plans and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction on line 24. File these forms on or before the last day of the 7th month following the close of your taxable year.

**25. Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g. insurance, health and welfare programs) that

are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

**26. Other deductions.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

**29(a). Net operating loss deduction.**—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(a).)

Generally, a net operating loss may be carried back to each of the 3 years preceding the year of such loss and carried over to each of the 7 years following the year of such loss; or, an election may be made whereby a net operating loss may be carried over to each of the 7 years following the year of such loss. The election is made by attaching a statement to a timely filed return, including extensions, and is irrevocable. After applying the net operating loss to the first taxable year to which it may be carried, the portion of the loss that may be carried to each of the remaining taxable years is the excess, if any, of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

The term "net operating loss" means the excess of allowable deductions over gross income, computed with the following modifications under section 172(d):

- (1) No net operating loss deduction is allowed.
- (2) The special deduction provided in section 922 (Western Hemisphere Trade Corporations) is not allowed.
- (3) The special deductions in line 1 of Schedule I are computed without regard to the 85% limitation provided in section 245(b). See section 1.172-2 of the regulations.
- (4) The special deduction allowed by section 247 (dividends paid on certain preferred stock of public utilities) is computed without regard to section 247(a)(1)(B).

The following modifications must be taken into account in determining the taxable income that must be subtracted

from a net operating loss to determine the portion of such loss that will still be available to carry to a later year:

(a) The special deduction provided in section 922 (Western Hemisphere Trade Corporations) is not allowed.

(b) The net operating loss deduction is determined without regard to the net operating loss for the loss year or any taxable year thereafter, and under certain circumstances, without regard to any portion of a net operating loss attributable to a foreign expropriation loss.

If you have a net operating loss carryback and want a "quick refund" of taxes, file Form 1139 within 12 months after the close of the taxable year in which the net operating loss occurred. (Section 6411.)

If a net operating loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the 3 preceding years (however, the WIN credit cannot be carried back to years beginning before 1972), and under the provisions of section 6411, a quick refund of the taxes affected may be obtained by filing Form 1139.

**29(b). Special deductions.**—See instructions for Schedule I.

## Schedule G—Depreciation

Complete Schedule G if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

**Salvage value.**—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after you make the above salvage value reduction.

**Tangible property other than real property.**—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible personal property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

**New section 1250 property.**—The double declining balance and sum of the years-digits methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150% declining balance methods.

**Used section 1250 property.**—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

**Rehabilitation expenditures for low-income rental housing.**—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. For details, see section 167(k).

**Historic structures.**—For new rules pertaining to the depreciation of expenditures related to historic structures see sections 167(n) and 167(o).

**Section 179—Additional first-year depreciation allowance.**—For the first year a depreciation deduction is allowable, corporations may elect to write off 20% of the cost (before adjustment for salvage value) of new or used tangible personal property with a useful life of 5 years or more, up to an aggregate cost of \$10,000. Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

## Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I.)

1. A small business investment company operating under the Small Business Investment Act of 1958 may deduct 100% of dividends received from domestic corporations subject to income tax. (Section 243(a)(2).)

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is a deemed distribution under section 995(b)(1).

In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of if the cor-

poration held it 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities.

**2. Limitation on dividends-received deduction.**—Line 2 may not exceed 85% of (line 28, page 1, less the sum of lines 3, 4, and 6 of Schedule I). For this purpose, line 28, page 1, is to be computed without regard to any capital loss carryback to the taxable year under section 1212(a)(1).

In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction.

In the case of a small business investment company, the dividends-received deduction of 100% included in line 2 is not subject to the overall 85% limitation.

Financial institutions should see section 596 for special limitation on dividends-received deduction.

**5. Deduction for dividends paid on certain preferred stock of public utilities.**—Section 247 allows public utilities a deduction of 29.167% of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction. In a year in which a net operating loss occurs, section 172(d) provides that the deduction is to be computed without regard to section 247(a)(1)(B).

**6. Deduction for Western Hemisphere Trade Corporations.**—Section 922 allows Western Hemisphere Trade Corporations a deduction of 22.917% of taxable income computed without regard to this deduction.

However, no deduction is allowed to a corporation for a taxable year for which it is a DISC or during which it owns directly or indirectly at any time stock in a DISC or former DISC as defined in section 992(a).

## Schedule J—Tax Computation

The recently enacted Tax Reform Act of 1976 extends through 1977 the lower tax rates and higher surtax exemption.

(Personal holding companies—see Schedule PH (Form 1120) before completing Schedule J.)

**1. Surtax Exemption.**—In general, corporations are entitled to a surtax exemption of \$50,000. However, members of a controlled group are entitled to one \$50,000 surtax exemption which is to be divided equally unless the group consents to split up the exemption in accordance with an apportionment plan. Accordingly, for purposes of lines 2 and 4, members of a controlled group will enter one-half of their surtax exemption on line 2 and the remaining one-half on line 4. For example,

if there are 5 members and they allocate the \$50,000 surtax exemption equally (i.e. \$10,000 each), each member will enter on line 2, one-half of \$10,000, i.e. \$5,000, and on line 4, the remaining one-half of the surtax exemption, i.e. \$5,000. See section 1561 and the regulations thereunder for the time and manner of making the consent.

**2. Mutual savings banks conducting life insurance business.**—The tax under section 594 consists of the sum of (1) a partial tax computed on Form 1120 on the taxable income of the bank determined without regard to income or deductions allocable to the life insurance department; and (2) a partial tax on the taxable income computed on Form 1120L of the life insurance department. Enter the combined tax on line 9 of Schedule J. Form 1120. Attach Form 1120L as a schedule and identify as such.

**3. Foreign tax credit.**—In general, effective for taxable years beginning after December 31, 1975, the per-country limitation cannot be used in computing the foreign tax credit. See Form 1118 for rules on how to compute the foreign tax credit.

**4. Possession tax credit.**—See Form 5712 for rules on how to elect to claim the new possession tax credit (section 936). Compute the credit on Form 5735 and include the amount of the credit in the total for line 11, Schedule J (Form 1120). Write in the margin next to the entry on line 11, the amount of the credit and identify it as being a section 936 credit.

**5. Credit for wages paid or incurred in Work Incentive (WIN) Program.**—Employers may claim a credit of 20% of the salaries and wages paid or incurred to employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment.

For special rules and limitations, see Form 4874 and sections 50A and 50B.

**6. Tax from recomputing a prior year WIN credit.**—If a WIN program employee is dismissed before completing a certain period of employment, the WIN credit previously taken on such employee may be subject to recapture. If so, you must repay (with certain exceptions) any tax credit previously taken on the salaries and wages paid or incurred to that employee. (See Form 4874.)

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

**7. Investment credit.**—In most cases, the investment credit rate is 10 percent for property acquired and placed in service during the taxable year. Corporations may elect an 11 percent credit for such property if one percent of the qualified investment is contributed to an employee

stock ownership plan. Complete Form 5500 for each employee stock ownership plan and file it on or before the last day of the 7th month following the close of your taxable year.

The limit on the amount of used property eligible for the investment credit is \$100,000.

The investment credit also applies to progress payments made during the construction of property that requires at least two years to construct and that has an expected useful life of at least seven years.

See Form 3468 for special rules and limitations.

**8. Tax from recomputing a prior year investment credit.**—If property is disposed of prior to the life-years category used in computing the investment credit, the credit must be recomputed using as the useful life the period the property was actually held. (For recomputations of the investment credit for qualified progress expenditures, see section 47(a)(3).) If the credit taken, including carrybacks and carryovers, exceeds the recomputed credit, the tax in the year of disposition must be increased by the excess. Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

**9. Minimum Tax.**—In general, more corporations will be liable for the minimum tax this year because the new law increased the minimum tax rate from 10 percent to 15 percent, reduced the minimum tax exemption from \$30,000 plus the regular income taxes for the year to the greater of \$10,000 or the regular income taxes for the year, and added new tax preference items for personal holding companies.

The new tax preference items for personal holding companies are (1) excess itemized deductions (generally the amount by which itemized deductions as adjusted exceed 60 percent of adjusted gross income) and (2) excess intangible drilling and development costs paid or incurred in connection with certain oil and gas wells.

Other tax preference items are accelerated depreciation on real property and leased personal property; amortization of certified pollution control facilities, railroad rolling stock, on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

You must attach Form 4626 if you have items of tax preference of more than \$10,000 even if there is no minimum tax. OR if you have any minimum tax liability deferred from a prior taxable year until this year.

## Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 1, under C, the code number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means gross receipts (line 1, page 1) plus all other income (lines 4 through 10, page 1). On page 3, under L, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

## AGRICULTURE, FORESTRY, AND FISHING

0400 Agriculture production.  
0600 Agricultural services, forestry, fishing, hunting, and trapping.

## MINING

Metal Mining:  
1010 Iron ores.  
1070 Copper, lead and zinc, gold and silver ores.  
1098 Other metal mining.  
1190 Coal mining.  
Oil and gas extraction:  
1330 Crude petroleum, natural gas, and natural gas liquids.  
1380 Oil and gas field services.  
Nonmetallic minerals (except fuels) mining:  
1430 Dimension, crushed and broken stone; sand and gravel.  
1498 Other nonmetallic minerals, except fuels.

## CONSTRUCTION

General building contractors and operative builders:  
1510 General building contractors.  
1531 Operative builders.  
1600 Heavy construction contractors.  
Special trade contractors:  
1711 Plumbing, heating, and air conditioning.  
1731 Electrical work.  
1798 Other special trade contractors.

## MANUFACTURING

Food and kindred products:  
2010 Meat products.  
2020 Dairy products.  
2030 Preserved fruits and vegetables.  
2040 Grain mill products.  
2050 Bakery products.  
2060 Sugar and confectionery products.  
2081 Malt liquors and malt.  
2088 Alcoholic beverages, except malt liquors and malt.  
2098 Bottled soft drinks, and flavorings.  
2096 Other food and kindred products.  
2100 Tobacco manufactures.  
Textile mill products:  
2228 Weaving mills and textile finishing.  
2230 Knitting mills.  
2298 Other textile mill products.  
Apparel and other textile products:  
2315 Men's and boy's clothing.  
2345 Women's and children's clothing.  
2388 Hats, caps, millinery, fur goods, and other apparel and accessories.  
2390 Misc. fabricated textile products.  
Lumber and wood products, except furniture:  
2415 Logging camps and logging contractors, sawmills and planing mills.  
2430 Millwork, plywood, and related products.  
2498 Other wood products, including wood buildings and mobile homes.  
2500 Furniture and fixtures.  
Paper and allied products:  
2623 Pulp, paper, and board mills.  
2699 Other paper products.  
Printing, publishing, and allied industries:  
2710 Newspapers.  
2720 Periodicals.  
2735 Books, greeting cards, and misc. publishing.  
2799 Commercial and other printing, and print-trade services.  
Chemicals and allied products:  
2815 Industrial chemicals, plastics materials and synthetics.  
2830 Drugs.  
2840 Soap, cleaners, and toilet goods.  
2850 Paints and allied products.  
2898 Agricultural and other chemical products.  
Petroleum refining and related industries (including those integrated with extraction):  
2910 Petroleum refining (including those integrated with extraction).  
2998 Other petroleum and coal products.  
Rubber and misc. plastics products:  
3020 Rubber products; plastics footwear, hose and belting.  
3070 Misc. plastics products.  
Leather and leather products:  
3140 Footwear, except rubber.  
3198 Other leather and leather products.

Stone, clay, glass, and concrete products:  
3225 Glass products.  
3240 Cement, hydraulic.  
3270 Concrete, gypsum, and plaster products.  
3298 Other nonmetallic mineral products.

## Primary metal industries:

3370 Ferrous metal industries; misc. primary metal products.  
3380 Nonferrous metal industries.  
Fabricated metal products, except machinery and transportation equipment:  
3410 Metal cans and shipping containers.  
3428 Cutlery, hand tools, and hardware; screw products.

3430 Plumbing and heating, except electric and warm air.  
3440 Fabricated structural metal products.  
3460 Metal forging and stamping.  
3470 Coating, engraving, and allied services.  
3480 Ordnance and armories, except vehicles and guided missiles.  
3490 Misc. fabricated metal products.

Machinery, except electrical:  
3520 Farm machinery.  
3530 Construction, mining, and materials handling machinery and equipment.  
3540 Metalworking machinery.  
3550 Special industry machinery, except metalworking machinery.  
3560 General industrial machinery.  
3570 Office, computing, and accounting machines.

3598 Engines and turbines, service industry machinery, and other machinery, except electrical.

Electrical and electronic machinery, equipment, and supplies:  
3630 Household appliances.  
3665 Radio, television, and communication equipment.  
3670 Electronic components and accessories.  
3698 Other electric equipment.

Transportation equipment:  
3710 Motor vehicles and equipment.  
3725 Aircraft, guided missiles and parts.  
3730 Ship and boat building and repairing.  
3798 Other transportation equipment.

Measuring and controlling instruments; photographic and medical goods, watches and clocks:  
3815 Scientific instruments and measuring devices; watches and clocks.  
3845 Optical, medical, and ophthalmic goods.  
3860 Photographic equipment and supplies.  
3998 Other manufacturing products.

## TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES

Transportation:  
4000 Railroad transportation.  
4100 Local and interurban passenger transit.  
4200 Trucking and warehousing.  
4400 Water transportation.  
4500 Transportation by air.  
4600 Pipe lines, except natural gas.  
4700 Other transportation services.

Communication:  
4825 Telephone, telegraph, and other communication services.  
4830 Radio and television broadcasting.

Electric, gas, and sanitary services:  
4910 Electric services.  
4920 Gas production and distribution.  
4930 Combination utility services.  
4990 Water supply and other sanitary services.

## WHOLESALE TRADE

Durable:  
5008 Machinery, equipment, and supplies.  
5010 Motor vehicles and automotive equipment.  
5030 Lumber and construction materials.  
5050 Metals and minerals, except petroleum and scrap.  
5060 Electrical goods.  
5070 Hardware, plumbing and heating equipment.  
5098 Other durable goods.

Nondurable:  
5110 Paper and paper products.  
5129 Drugs, chemicals, and allied products.  
5130 Apparel, place goods, and notions.

Code  
5140 Groceries and related products.  
5150 Farm-product raw materials.  
5170 Petroleum and petroleum products.  
5180 Alcoholic beverages.  
5190 Misc. nondurable goods.

## RETAIL TRADE

Building materials, hardware, garden supply, and mobile home dealers:  
5220 Building materials dealers.  
5251 Hardware stores.  
5255 Garden supplies and mobile home dealers.  
5330 General merchandise stores.  
5400 Food stores.

Automotive dealers and service stations:  
5515 Motor vehicle dealers.  
5541 Gasoline service stations.  
5550 Other automotive dealers.  
5600 Apparel and accessory stores.  
5700 Furniture and home furnishings stores.  
5800 Eating and drinking places.

Misc. retail stores:  
5912 Drug stores and proprietary stores.  
5921 Liquor stores.  
5990 Other misc. retail stores.

## FINANCE, INSURANCE, AND REAL ESTATE

Banking:  
6010 Mutual savings banks.  
6060 Bank holding companies.  
6070 Banks, except mutual savings banks and bank holding companies.

Credit agencies other than banks:  
6120 Savings and loan associations.  
6140 Personal credit institutions.  
6150 Business credit institutions.  
6199 Other credit agencies.

Security, commodity brokers, dealers, exchanges, and services:  
6210 Security brokers, dealers, and flotation companies.  
6299 Commodity contracts brokers and dealers; security and commodity exchange; and allied services.

Insurance:  
6355 Life insurance.  
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.  
6359 Other insurance companies.

Real Estate:  
6411 Insurance agents, brokers, and services.  
6511 Real estate operators (except developers) and lessors of buildings.  
6516 Lessors of mining, oil, and similar property.

6518 Lessors of railroad property and other real property.  
6530 Condominium management and cooperative housing associations.  
6550 Subdividers and developers.  
6599 Other real estate.  
Holding and other investment companies:  
6742 Regulated investment companies.  
6743 Real estate investment trusts.  
6744 Small business investment companies.  
6749 Holding and other investment companies, except bank holding companies.

## SERVICES

7000 Hotels and other lodging places.  
7200 Personal services.  
Business services:  
7310 Advertising.  
7389 Business services, except advertising.

7400 Repair and services; misc. repair services:  
7500 Auto repair and services.  
7600 Misc. repair services.  
Amusement and recreational services:  
7812 Motion picture production, distribution, and services.

7830 Motion picture theaters.  
7900 Amusement and recreation services, except motion pictures.

Other services:  
8015 Offices of physicians, including osteopathic physicians.  
8021 Offices of dentists.  
8050 Nursing and personal care facilities.  
8071 Medical laboratories.  
8099 Other medical services.  
8111 Legal services.  
8200 Educational services.  
8399 Misc. services.



Form **1120-DISC**Department of the Treasury  
Internal Revenue Service**Domestic International Sales  
Corporation Return**

(PLEASE TYPE OR PRINT)

**1976**

For calendar year 1976 or other taxable year beginning . . . 1976, ending . . . 19

|  |                                   |   |
|--|-----------------------------------|---|
| <b>A</b> Date of DISC election                             | Name                              | <b>C</b> Employer identification number   |
|  | Number and street                 |   |
| <b>B</b> Business code number (See page 8 of instructions) | City or town, State, and ZIP code | <b>E</b> Enter total assets from line 3, column (B), Schedule L (See instruction L)<br>\$ |

**F** Did any corporation, individual, partnership, trust or estate at the end of your taxable year own, directly or indirectly, 50% or more of your voting stock? ☐ Yes ☐ No  
If "Yes," enter below the owner's name, address, identifying number, percentage of voting stock owned and, if a corporation, total assets. (See General Instruction Q)

| Name | Identifying number | Address | Percent-<br>age of<br>voting<br>stock<br>owned | Total assets<br>(Corporations only) | Foreign<br>owner |
|------|--------------------|---------|--|-------------------------------------|------------------|
|      |                    |         |  |                                     | Yes No           |
|      |                    |         |  |                                     |                  |

**G** Indicate by placing an "X" in the appropriate box(es) the inter-company pricing rule or rules which were applied to 25% or more of total receipts (line 4, page 1).

- ☐ The 50-50 combined taxable income method  
☐ The 4% gross receipts method  
☐ The section 482 method ("arm's length pricing")

**All Computations Must Reflect Inter-Company Pricing Rules  
Under Section 994 If Used (See Schedule P (Form 1120-DISC))**

| Gross Income  |  |
|---|--|
| 1 Qualified export receipts from the sale of export property (line 1(c) column E, Schedule B) |  |
| 2 Other qualified export receipts: (line 2(j) column E, Schedule B)                           |  |
| 3 Nonqualified gross receipts: (line 3(g) column E, Schedule B)                               |  |
| 4 Total of lines 1, 2, and 3  |  |
| 5 Less: Cost of goods sold (line 7, Schedule A) and/or operations (attach schedule)           |  |
| 6 Total income  |  |

| Deductions   |  |
|--|--|
| 7 Export promotion expenses: (line 1(o), Schedule E)         |  |
| 8 Other expenses not deducted above: (line 2(h), Schedule E) |  |
| 9 Total deductions   |  |

| Computation of Taxable Income   |  |
|---|--|
| 10 Taxable income before net operating loss deduction and dividends-received deduction (line 6 less line 9) |  |
| 11 Less: (a) Net operating loss deduction (see instructions—attach schedule)                                |  |
| (b) Dividends-received deduction (line 2, Schedule I)   |  |
| 12 Taxable income (line 10 less line 11)  |  |

13 Refund of U.S. tax on special fuel, nonhighway gas, and lubricating oil (attach Form 4136)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

|      |                      |  |                      |
|------|----------------------|--|----------------------|
| Date | Signature of officer | Preparer's signature (and employer's name, if any) | Date                 |
|      | Title                | Identifying number (see instructions)              | Address and ZIP code |

Form 1120-DISC (1976)

Page **2**

**Schedule A** Cost of Goods Sold (See instructions for Schedule A)  
Reflect ACTUAL purchases from a related supplier at the transfer price determined under the inter-company pricing rules of section 994, if used. See Schedule P (Form 1120-DISC).

|   |  |
|---|--|
| 1 Inventory at the beginning of the year              |  |
| 2 Purchases   |  |
| 3 Salaries and wages                                  |  |
| 4 Other costs (attach schedule)                       |  |
| 5 Total   |  |
| 6 Less: Inventory at the end of the year              |  |
| 7 Cost of goods sold—Enter here and on line 5, page 1 |  |

Method of inventory valuation

Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

**Schedule B** Gross Income (See instructions for Schedule B)

| A. Type of receipt   | Commission sales  |               | D. Other receipts | E. Total (add columns C and D) |
|--|-------------------|---------------|-------------------|--------------------------------|
|  | B. Gross receipts | C. Commission |                   |                                |
| 1 Qualified export receipts from the sale of export property:                            |                   |               |                   |                                |
| (a) To unrelated purchasers:   |                   |               |                   |                                |
| (i) Direct foreign sales   |                   |               |                   |                                |
| (ii) Foreign sales through a related foreign entity                                      |                   |               |                   |                                |
| (iii) To persons in the U.S. (other than an unrelated DISC)                              |                   |               |                   |                                |
| (iv) To an unrelated DISC  |                   |               |                   |                                |
| (b) To related purchasers:   |                   |               |                   |                                |
| (i) Direct foreign sales   |                   |               |                   |                                |
| (ii) To persons in the U.S.  |                   |               |                   |                                |
| (c) Total—Enter amount in column E on line 1, page 1                                     |                   |               |                   |                                |
| 2 Other qualified export receipts:   |                   |               |                   |                                |
| (a) Leasing or renting of export property  |                   |               |                   |                                |
| (b) Services related and subsidiary to a qualified export sale or lease                  |                   |               |                   |                                |
| (c) Engineering and architectural services   |                   |               |                   |                                |
| (d) Export management services   |                   |               |                   |                                |
| (e) Qualified dividends (line 10, Schedule C)  |                   |               |                   |                                |
| (f) Interest on producer's loans   |                   |               |                   |                                |
| (g) Other interest (attach schedule)   |                   |               |                   |                                |
| (h) Net capital gains (Attach Schedule D (Form 1120))                                    |                   |               |                   |                                |
| (i) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797, see instructions) |                   |               |                   |                                |
| (j) Total—Enter amount in column E on line 2, page 1                                     |                   |               |                   |                                |
| 3 Nonqualified gross receipts:   |                   |               |                   |                                |
| (a) Ultimate use in U.S.   |                   |               |                   |                                |
| (b) Exports subsidized by the U.S. Government (see instructions)                         |                   |               |                   |                                |
| (c) Certain direct or indirect sales or leases for use by the U.S. Government            |                   |               |                   |                                |
| (d) Sales to other DISCs in the same controlled group                                    |                   |               |                   |                                |
| (e) Nonqualified dividends (line 11, Schedule C)   |                   |               |                   |                                |
| (f) Other (see instructions—attach schedule)   |                   |               |                   |                                |
| (g) Total—Enter amount in column E on line 3, page 1                                     |                   |               |                   |                                |
| 4 Total—Enter amount in column E on line 4, page 1                                       |                   |               |                   |                                |

Form 1120-DISC (1976)

Page 3

**Schedule C Dividends (See instructions for Schedule C)**

- 1 Domestic corporations subject to the 85% deduction
- 2 Certain preferred stock of public utilities
- 3 Foreign corporations subject to the 85% deduction
- 4 Dividends from wholly-owned foreign subsidiaries subject to the 100% deduction (section 245(b))
- 5 Other dividends from foreign corporations
- 6 Includable income from controlled foreign corporations under subpart F (attach Forms 3646)
- 7 Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))
- 8 Other dividends
- 9 Total
- 10 Less: Qualified dividends—Enter the qualified dividends here and on line 2(e), column D, Schedule B.

11 Nonqualified dividends—Enter here and on line 3(e), column D, Schedule B.

**Schedule E Deductions (See instructions for Schedule E)**

- 1 Export promotion expenses:
  - (a) Market studies
  - (b) Advertising
  - (c) Depreciation (attach Form 4562)
  - (d) Salaries and wages
  - (e) Rents
  - (f) Sales commissions
  - (g) Warehousing
  - (h) Freight (excluding insurance—see instructions)
  - (i) Compensation of officers
  - (j) Repairs (see instructions)
  - (k) Amortization (attach schedule)
  - (l) Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)
  - (m) Employee benefit programs
  - (n) Other (list):
- (o) Total—Enter here and on line 7, page 1.
- 2 Other expenses not deducted above:
  - (a) Bad debts (Schedule F if reserve method is used)
  - (b) Taxes (attach schedule)
  - (c) Interest
  - (d) Contributions (not over 5% of line 12, page 1 adjusted per instructions—attach schedule)
  - (e) Freight
  - (f) Freight insurance
  - (g) Other (attach schedule)
- (h) Total—Enter here and on line 8, page 1.

**Schedule F Bad Debts—Reserve Method**

| 1. Year | 2. Trade notes and accounts receivable outstanding at the end of the year | 3. Sales on account | Amount added to the reserve |               | 6. Amount charged against the reserve | 7. Reserve for bad debts at the end of the year |
|---------|---|---------------------|-----------------------------|---------------|---------------------------------------|---|
|         |   |                     | 4. Current year's provision | 5. Recoveries |                                       |   |
| 1971    |   |                     |                             |               |                                       |   |
| 1972    |   |                     |                             |               |                                       |   |
| 1973    |   |                     |                             |               |                                       |   |
| 1974    |   |                     |                             |               |                                       |   |
| 1975    |   |                     |                             |               |                                       |   |
| 1976    |   |                     |                             |               |                                       |   |

**Schedule I Dividends-received Deduction (See instructions for Schedule I)**

- 1 (a) 85% of line 1, Schedule C
- (b) 60.208% of line 2, Schedule C
- (c) 85% of line 3, Schedule C
- (d) 100% of line 4, Schedule C

2 Total—See instructions for limitation. Enter here and on line 11(b), page 1.

Form 1120-DISC (1976)

Page 4

**Schedule J Deemed and Actual Distributions to Shareholders for the Taxable Year (See instructions for Schedule J)****PART I—Deemed Distributions Under Section 995(b)(1)**

- 1 Gross interest derived during the year from producer's loans (section 995(b)(1)(A))
- 2 Gain recognized on the sale or exchange of property (section 995(b)(1)(B)) (see instructions—attach schedule)
- 3 Gain recognized on the sale or exchange of property (section 995(b)(1)(C)) (see instructions—attach schedule)
- 4 50% of taxable income attributable to military property (section 995(b)(1)(D)) (see instructions—attach schedule)
- 5 Total of lines 1, 2, 3, and 4
- 6 Taxable income (line 12, page 1)
- 7 Adjusted taxable income (line 6 less line 5) (enter here and on line 1, Part II)
- 8 Taxable income attributable to base period export gross receipts (section 995(b)(1)(E)) (from line 22, Part II)
- 9 Line 7 less line 8 (enter zero if less than zero)
- 10 50% of line 9 (section 995(b)(1)(F)(i))
- 11 International boycott income (section 995(b)(1)(F)(ii)) (see instructions)
- 12 Amount of illegal bribes and other payments made after November 3, 1976 (section 995(b)(1)(F)(iii)) (see instructions)
- 13 Total of lines 5, 8, 10, 11, and 12
- 14 Earnings and profits for year (see instructions—attach schedule)
- 15 Enter the smaller of line 13 or line 14 (but not less than zero)
- 16 Foreign investment attributable to producer's loans (section 995(b)(1)(G)) (see instructions—attach schedule)
- 17 Total deemed distributions under section 995(b)(1) (add lines 15 and 16)

**PART II—Computation of Taxable Income Attributable to Base Period Export Gross Receipts**

- 1 Adjusted taxable income (from line 7, Part I)
- 2 Enter the larger of (a) 366 divided by the number of days in your taxable year or (b) 1 (one)
- 3 Annualized adjusted taxable income (line 1 times line 2)
- 4 Annualized adjusted taxable income of all other DISCs in your controlled group (see instructions for exceptions)
- 5 Line 3 plus line 4 (if \$100,000 or less see instructions)
- 6 Taxable years beginning in 1972, 1973, 1974, and 1975 (use a separate line for each full or part year, starting with the earliest):
 

| A. Beginning of year (month, day, year) | B. End of year (month, day, year) | C. Qualified export receipts as described in Sections 993(a)(1)(A), (B), (C), (G), and (H) (see instructions for certain exclusions) | D. 50 percent of qualified export receipts in column C attributable to military property |
|---|-----------------------------------|--|--|
| (a)                                     |                                   |  |  |
| (b)                                     |                                   |  |  |
| (c)                                     |                                   |  |  |
| (d)                                     |                                   |  |  |
| (e)                                     |                                   |  |  |
| (f) Totals (add lines (a) through (e))  |                                   |  |  |
- (g) Base period export gross receipts (Column 6C, line (f) less Column 6D, line (f))
- 7 Enter the lesser of (a) 1,461 divided by the number of days in your base period or (b) 1 (one)
- 8 Line 6(g) times line 7
- 9 Adjustment factor
- 10 Adjusted base period export gross receipts (line 8 times line 9)
- 11 Additions to adjusted base period export gross receipts:
  - (a) Adjusted export gross receipts of all other DISCs in your controlled group
  - (b) Other additions (attach schedule—see instructions)
  - (c) Total additions (line 11(a) plus line 11(b))
- 12 Line 10 plus line 11(c)
- 13 (a) Qualified export receipts as described in sections 993(a)(1)(A), (B), (C), (G), and (H). (Add the amounts from Schedule B, Columns B and D, lines 1(c), 2(a), 2(b), 2(c), and 2(d))
  - (b) 50 percent of qualified export receipts on line 13(a) attributable to military property
  - (c) Export gross receipts (line 13(a) less line 13(b))
- 14 Annualized export gross receipts (line 2 times line 13(c))
- 15 Annualized export gross receipts of all other DISCs in your controlled group
- 16 Line 14 plus line 15
- 17 Enter the lesser of (a) line 12 divided by line 16 or (b) 1 (one)
- 18 Line 5 times line 17
- 19 Small DISC phaseout:
  - (a) Enter the greater of (a) \$150,000 less line 5 (but not more than \$50,000) or (b) zero
  - (b) Line 19(a) times 2 (two)
- 20 Line 18 less line 19(b) (enter zero if less than zero)
- 21 Line 1 divided by line 5
- 22 Taxable income attributable to base period export gross receipts (line 20 times line 21) (enter here and on line 8, Part I)

**PART III.—Deemed Distributions Under Section 995(b)(2)**

- 1 Annual installment of distribution attributable to revocation of election in a prior year . . . . .
- 2 Annual installment of distribution attributable to a failure to qualify as a DISC in a prior year . . . . .
- 3 Total deemed distributions under section 995(b)(2) (add line 1 and line 2) . . . . .

**PART IV.—Actual Distributions**

- 1 Distributions to meet qualification requirements under section 992(c) (attach computation) . . . . .
- 2 Other actual distributions . . . . .
- 3 Total of line 1 and line 2 . . . . .
- 4 Amount on line 3 treated as distributed out of:
- (a) Previously taxed income . . . . .
- (b) Accumulated DISC income (including DISC income of the current year) . . . . .
- (c) Other earnings and profits . . . . .
- (d) Other . . . . .

**Schedule K Shareholder's Statement of DISC Distribution**  
 (Attach a separate Copy A, Schedule K (Form 1120-DISC) for each shareholder receiving a deemed or actual distribution. Give Copy B to the shareholder. See instructions on the back of Copy C.)

**Additional Information Required**

- H** Did you claim a deduction for expenses connected with:
- (1) Entertainment facility (boat, resort, ranch, etc.)? . . . . .
- (2) Living accommodations (except employees on business)? . . . . .
- (3) Employees' families at conventions or meetings? . . . . .
- (4) Employee or family vacations not reported on Form W-2? . . . . .
- I** Refer to page 8 of the instructions and state the principal:
- Business activity ▶ . . . . .
- Product or service ▶ . . . . .
- J** Were you a U.S. shareholder of any controlled foreign corporation? . . . . .  
 (See sections 951 and 957.) If "Yes," attach Form 3646 (and Form 2952 where appropriate) for each corporation.
- K** Did you file all required Forms 1087, 1096, and 1099? . . . . .
- L** (1) Did 95% or more of your gross receipts for the taxable year consist of qualified export receipts (as defined in section 993(a))? . . . . .
- (2) Did the adjusted basis of your qualified export assets (as defined in section 993(b)) at the close of the taxable year equal or exceed 95% of the sum of the adjusted basis of all your assets at the close of the taxable year? . . . . .
- (3) If the answer to (1) or (2) is "No," did you make a pro rata distribution of property as defined in section 992(c)? . . . . .
- M** (1) Did you have more than one class of stock at any time during the taxable year? . . . . .
- (2) Was the par or stated value of your stock at least \$2,500 on each day (for a new corporation, on the last day for making an election and for each succeeding day) of the taxable year? . . . . .
- N** Are you a member of a controlled group that includes other DISCs? . . . . .
- If "Yes,"
- (1) Report in Part II, Section B of Schedule N the names, addresses, and employer identification numbers of the DISCs.
- (2) State the name and employer identification number of the DISC in your controlled group completing Columns 3 and 4 of Part I, Sections A and B of Schedule N. See specific instruction B, Schedule N.
- Name ▶ . . . . .
- Employer identification number ▶ . . . . .
- O** Did you have your own bank account? . . . . .
- P** Did you maintain separate books and records? . . . . .

| Schedule L Balance Sheets            |  | (A) Beginning of the taxable year | (B) End of the taxable year |
|--------------------------------------|--|-----------------------------------|-----------------------------|
| Assets                               | 1 Qualified assets:  |                                   |                             |
|                                      | (a) Working capital (cash and necessary temporary investments) . . . . .   |                                   |                             |
|                                      | (b) Funds awaiting investment (cash in U.S. banks in excess of working capital needs to acquire other qualified export assets) . . . . . |                                   |                             |
|                                      | (c) Export-Import Bank obligations . . . . .   |                                   |                             |
|                                      | (d) Trade receivables (accounts and notes receivable) . . . . .  |                                   |                             |
|                                      | (i) Less allowance for bad debts . . . . .   | ( )                               | ( )                         |
|                                      | (e) Export property (net) (including inventory and qualified property held for lease) . . . . .  |                                   |                             |
|                                      | (f) Producer's loans . . . . .   |                                   |                             |
|                                      | (g) Investment in related foreign export corporations . . . . .  |                                   |                             |
|                                      | (h) Depreciable assets . . . . .   |                                   |                             |
|                                      | (i) Less accumulated depreciation . . . . .  | ( )                               | ( )                         |
|                                      | (j) Other (attach schedule) . . . . .  |                                   |                             |
|                                      | 2 Nonqualified assets (net) (list): . . . . .  |                                   |                             |
|                                      | 3 Total assets . . . . .   |                                   |                             |
| Liabilities and Stockholders' Equity | 4 Accounts payable . . . . .   |                                   |                             |
|                                      | 5 Other current liabilities (attach schedule) . . . . .  |                                   |                             |
|                                      | 6 Mortgages, notes, bonds payable in 1 year or more . . . . .  |                                   |                             |
|                                      | 7 Other liabilities (attach schedule) . . . . .  |                                   |                             |
|                                      | 8 Capital stock . . . . .  |                                   |                             |
|                                      | 9 Paid-in or capital surplus . . . . .   |                                   |                             |
|                                      | 10 Other earnings and profits . . . . .  |                                   |                             |
|                                      | 11 Previously taxed income (sec. 996(f)(2)) . . . . .  |                                   |                             |
|                                      | 12 Accumulated DISC income . . . . .   |                                   |                             |
|                                      | 13 Less cost of treasury stock . . . . .   | ( )                               | ( )                         |
|                                      | 14 Total liabilities and stockholders' equity . . . . .  |                                   |                             |

**Schedule M-1 Reconciliation of Income per Books With Income per Return**

- |  |   |
|--|---|
| 1 Net income per books . . . . .   | 6 Income recorded on books this year not included in this return (itemize) . . . . .      |
| 2 Excess of capital losses over capital gains . . . . .                                | 7 Deductions in this return not charged against book income this year (itemize) . . . . . |
| 3 Taxable income not recorded on books this year (itemize) . . . . .                   | 8 Total of lines 6 and 7 . . . . .  |
| 4 Expenses recorded on books this year not deducted in this return (itemize) . . . . . | 9 Income (line 10, page 1) (line 5 less line 8) . . . . .                                 |
| 5 Total of lines 1 through 4 . . . . .   |   |

**Schedule M-2 Analysis of Other Earnings and Profits (Line 10 above)**

- |  |   |
|--|---|
| 1 Balance at the beginning of the year . . . . . | 5 Distributions to qualify under sec. 992(c) . . . . .  |
| 2 Increases (itemize) . . . . .                  | 6 Other decreases (itemize) . . . . .                   |
| 3 Total of lines 1 and 2 . . . . .               | 7 Total of lines 4, 5, and 6 . . . . .                  |
| 4 Deficit in earnings and profits . . . . .      | 8 Balance at end of year (line 3 less line 7) . . . . . |

**Schedule M-3 Analysis of Previously Taxed Income (Line 11 above)**

- |   |   |
|---|---|
| 1 Balance at the beginning of the year . . . . .      | 5 Deficit in earnings and profits . . . . .             |
| 2 Deemed distributions under section 995(b) . . . . . | 6 Distributions to qualify under sec. 992(c) . . . . .  |
| 3 Other increases (itemize) . . . . .                 | 7 Other decreases (itemize) . . . . .                   |
| 4 Total of lines 1, 2, and 3 . . . . .                | 8 Total of lines 5, 6, and 7 . . . . .                  |
|   | 9 Balance at end of year (line 4 less line 8) . . . . . |

**Schedule M-4 Analysis of Accumulated DISC Income (Line 12 above)**

- |  |  |
|--|--|
| 1 Balance at the beginning of the year . . . . . | 6 Distributions to qualify under sec. 992(c) . . . . .           |
| 2 Increases (itemize) . . . . .                  | 7 Distributions upon disqualification (sec. 995(b)(2)) . . . . . |
| 3 Total of lines 1 and 2 . . . . .               | 8 Other decreases (itemize) . . . . .                            |
| 4 Deficit in earnings and profits . . . . .      | 9 Total of lines 4 through 8 . . . . .                           |
| 5 Redemptions under section 996(d) . . . . .     | 10 Balance at end of year (line 3 less line 9) . . . . .         |

**Schedule N Export Gross Receipts of the DISC and Related U.S. Persons (Attach separate Schedule N (Form 1120-DISC))****Schedule P Computation of Inter-company Transfer Price or Commission (Attach separate Schedule P (Form 1120-DISC))**

# 1976 Department of the Treasury Internal Revenue Service Instructions for Form 1120-DISC Domestic International Sales Corporation Return

(References are to the Internal Revenue Code)

## Sec. 992. Requirements of a DISC

(a). **General rule.**—A DISC is a corporation that is incorporated under the laws of any State or the District of Columbia and satisfies the following conditions for the taxable year:

(1) 95% or more of its gross receipts (as defined in section 993(f)) consist of qualified export receipts (as defined in section 993(a));

(2) the adjusted basis of its qualified export assets (as defined in section 993(b)) at the end of the taxable year equals or exceeds 95% of the sum of the adjusted basis of all its assets at the end of the taxable year;

(3) it does not have more than one class of stock and the par or stated value of its outstanding stock is at least \$2,500 on each day (for a new corporation, on the last day for making an election and for each succeeding day) of the taxable year;

(4) it has made an election to be treated as a DISC and the election is in effect for the taxable year;

(5) it has its own bank account on each day of the taxable year (for exceptions see 1.992-1(i) of the regulations) and maintains separate books and records; and

(6) it is not an ineligible corporation.

(b). **Election.**—An election by an existing corporation to be treated as a DISC for a taxable year must be made at any time during the 90-day period immediately preceding the beginning of the taxable year and by a new corporation within 90 days after the beginning of the first taxable year.

In general, the election will be valid only if all persons who are shareholders in the corporation on the first day of the first taxable year for which the election is effective consent to the election. (See Form 4876, Election to be Treated as a DISC.)

An election may be terminated by a revocation of the election for any taxable year after the first taxable year for which the election is effective if made at any time during the first 90 days of the taxable year (or for the taxable year following the taxable year in which made, if made after the close of such 90 days).

The election will be terminated by the continued failure of the corporation to be a DISC for each of any 5 consecutive taxable years for which an election is effective.

(c). **Distributions to meet qualification requirements.**—A corporation that for a taxable year does not satisfy the gross receipts or qualified export assets conditions will be deemed to satisfy the condition for the taxable year if it makes a pro rata distribution of property after the close of the taxable year to its shareholders (designated at the time of the distribution as a distribution to meet qualification requirements) with respect to their stock in an amount which is equal to (1) the portion of its taxable income attributable to its gross receipts that are not qualified export receipts if it fails the gross receipts condition, (2) the fair market value of those assets that are not qualified export assets on the last day of the taxable year if the qualified export assets condition is not met, and (3) the sum of (1) and (2) if neither condition is met.

See section 992(c)(2) for reasonable cause for failure to make distributions to meet qualification requirements and section 992(c)(3) for distributions made within 8½ months after the close of the taxable year.

For computation of deficiency distributions to meet qualification requirements, and interest thereon, in the case of distributions made after the 15th day of the 9th month after the close of the taxable year with respect to which such distribution is made, see section 1.992-3 of the regulations.

(d). **Ineligible corporations.**—The following corporations are not eligible for DISC treatment:

(1) a corporation exempt from tax under section 501,

(2) a personal holding company as defined in section 542,

(3) a financial institution to which section 581 or 593 applies,

(4) an insurance company subject to the tax imposed by subchapter L,

(5) a regulated investment company as defined in section 851(a),

(6) a China Trade Act corporation receiving the special deduction provided in section 941(a), or

(7) an electing small business corporation as defined in section 1371(b).

(e). **Restrictions on DISCs and corporate stockholders.**—For any taxable year in which a corporation is a DISC or in which at any time it owns, directly or indirectly, stock in a DISC or former DISC, such corporation is not allowed to take the Western Hemisphere Trade Corporation deduction (Section 922), and is not entitled to the benefits of Section 936.

## Sec. 993. Definitions

(a). **Qualified export receipts.**—Except as provided by regulations under section 993(a)(2), qualified export receipts of a corporation are:

(1) gross receipts from the sale, exchange, or other disposition of export property;

(2) gross receipts from the lease or rental of export property that is used by the lessee of the property outside the U.S.;

(3) gross receipts for services that are related and subsidiary to any qualified sale, exchange, lease, rental, or other disposition of export property by the corporation;

(4) gain from the sale, exchange, or other disposition of qualified export assets (other than export property);

(5) dividends (or amounts includible in gross income under section 951) with respect to stock of a related foreign export corporation;

(6) interest on any obligation that is a qualified export asset;

(7) gross receipts for engineering or architectural services for construction projects located (or proposed for location) outside the U.S.; and

(8) gross receipts for the performance of managerial services in furtherance of the production of other qualified export receipts of a DISC.

(b). **Qualified export assets.**—Qualified export assets of a corporation are:

(1) export property;

(2) assets used primarily in connection with the sale, lease, rental, storage, handling, transportation, packaging, assembly, or servicing of export property, or the performance of engineering or architectural services as described in section 993(a)(1)(G) or managerial services in the furtherance of the production of qualified export receipts as described in section 993(a)(8);

(3) accounts receivable and evidences of indebtedness that arise by reason of transactions described in section 993(a)(1)(A), (B), (C), (D), (G), or (H);

(4) money, bank deposits, and other similar temporary investments that are reasonably necessary to meet the working capital requirements of the corporation;

(5) obligations arising in connection with a producer's loan;

(6) stock or securities of a related foreign export corporation;

(7) certain obligations issued, guaranteed, or insured, in whole or in part, by the Export-Import Bank of the U.S. or the Foreign Credit Insurance Association in those cases where the obligations are acquired from the bank or association or from the seller or purchaser of the goods or services from which the obligations arose;

(8) certain obligations issued by a domestic corporation organized solely for the purpose of financing sales of export property pursuant to an agreement with the Export-Import Bank of the U.S. under which the corporation makes export loans guaranteed by the bank; and

(9) amounts (other than reasonable working capital) on deposit in the U.S. that are utilized during the period provided by regulations to acquire other qualified export assets.

(c). **Export property.**—Export property is property (except property excluded under section 993(c)(2) and property in short supply):

(1) manufactured, produced, grown, or extracted in the U.S. by a person other than a DISC;

(2) held primarily for sale, lease, or rental in the ordinary course of trade or business, by, or to, a DISC, for direct use, consumption, or disposition outside the U.S.;

(3) consisting of a fair market value of which not more than 50% is attributable to articles imported into the U.S.; and

(4) not sold or leased (i) by a DISC, or with a DISC as commission agent, to another DISC that is a member of the same controlled group (as defined in section 993(a)(3)) as the DISC or (ii) by any person to a Western Hemisphere trade corporation (as defined in section 921) that is a related person (a member of the same controlled group as defined in section 993(a)(3) or a relationship that would result in a disallowance of losses under section 267 or section 707(b)) immediately before or after a transaction with respect to the seller, lessor, or commission agent.

(d). **Producer's loans.**—An obligation subject to the rules provided in section 993(d)(2) and (3) will be treated as arising out of a producer's loan if:

(1) the loan, when added to the unpaid balance of all other producer's loans made by the DISC, does not exceed the accumulated DISC income at the beginning of the month in which the loan was made;

(2) the obligation is evidenced by a note (or other evidence of indebtedness) with a stated maturity date not more than 5 years from the date of the loan;

(3) the loan is made to a person engaged in the U.S. in the manufacturing, production, growing, or extraction of export property; and

(4) it is designated as a producer's loan at the time of the loan.

2

(e). **Related foreign export corporation.**—A DISC may acquire and receive income in the form of dividends and interest from the following investments that are related to exports from the U.S.

**Foreign international sales corporation (FISC).**—A foreign corporation is a related foreign export corporation if:

(1) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC;

(2) 95% or more of the foreign corporation's gross receipts for its taxable year ending with or within the taxable year of the DISC consists of qualified export receipts described in section 993(a)(1)(A) through (D) and interest on any obligation described in section 993(b)(3) and (4); and

(3) the adjusted basis of the qualified export assets held by the foreign corporation at the close of the taxable year equals or exceeds 95% of the sum of the adjusted basis of all assets held by it at the close of the taxable year.

**Real property holding company.**—A foreign corporation is a related foreign export corporation if:

(1) stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote is owned directly by the DISC; and

(2) its exclusive function is to hold title to real property for the exclusive use (under a lease or otherwise) of the DISC because of a requirement of applicable foreign law that the DISC cannot hold title.

**Associated foreign corporation.**—A foreign corporation is a related foreign export corporation if:

(1) less than 10% of the total combined voting power of all classes of the foreign corporation's stock entitled to vote is owned (within the meaning of section 1563(d) and (e)) by the DISC or by a controlled group of corporations (within the meaning of section 1563) of which the DISC is a member; and

(2) the ownership of stock and securities in the foreign corporation by the DISC is determined to be reasonably in furtherance of a transaction or transactions giving rise to qualified export receipts of the DISC.

(f). **Gross receipts.**—The term gross receipts means the total receipts from the sale, lease, or rental of property held primarily for sale, lease, or rental in the ordinary course of a trade or business and gross income from all other sources.

In the case of commissions on the sale, lease, or rental of property, the amount taken into account will be the gross receipts on the sale, lease, or rental of the property on which the commissions arose.

(g). **United States.**—U.S. includes the Commonwealth of Puerto Rico and the possessions of the U.S.

## Sec. 994. Inter-Company Pricing Rules

In the case of a sale of export property to a DISC by a person described in section 482, the taxable income of the DISC and the other person may be based upon a transfer price which would allow the DISC to derive taxable income attributable to the sale (regardless of the sales price actually charged) in an amount which does not exceed the greatest of:

(1) 4% of the qualified export receipts on the sale of the property by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts,

(2) 50% of the combined taxable income of the DISC and the person which is attributable to the qualified export receipts on the property derived as the result of a sale by the DISC plus 10% of the export promotion expenses of the DISC attributable to the receipts, or

(3) taxable income based upon the sale price actually charged (subject to the rules provided in section 482).

(Note: Generally, inter-company pricing rules (1) and (2) above will not permit the related person to price at a loss. See Schedule P (Form 1120-DISC).)

Export promotion expenses are those expenses incurred to advance the distribution or sale of export property for use, consumption, or distribution outside the U.S. but do not include income tax. They include freight expenses to the extent of 50% of the cost of shipping export property aboard airplanes owned and operated by U.S. persons or ships documented under the laws of the U.S. in those cases where law or regulations do not require that the property be shipped aboard such airplanes or ships.

## General Instructions

**A. Corporations required to file Form 1120-DISC.**—Form 1120-DISC must be filed by a domestic corporation that has elected to be treated as a DISC and has satisfied the requirements under section 992 for treatment as a DISC for the taxable year.

A "former DISC," as defined in section 992(a)(3), must file Form 1120.

**B. Where to file.**—

If the principal business, office, or agency is located in:

|  | Use this address  |
|--|---|
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester                   | Internal Revenue Service Center<br>1040 Waterside Avenue<br>Hartford, New York<br>11790 |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont | Internal Revenue Service Center<br>310 Lowell Street<br>Andover, Mass. 01812            |

|   |  |
|---|--|
| Alabama, Florida, Georgia, Mississippi, South Carolina  | Internal Revenue Service Center<br>4500 Buford Highway<br>Roswell, Georgia 30006         |
| Michigan, Ohio  | Internal Revenue Service Center<br>Cincinnati, Ohio 45298                                |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas  | Internal Revenue Service Center<br>3651 S. Interregional Highway<br>Austin, Texas 78740  |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Internal Revenue Service Center<br>1160 West 1200 South Street<br>Ogden, Utah 84201      |
| Illinois, Iowa, Missouri, Wisconsin   | Internal Revenue Service Center<br>2306 E. Bannister Road<br>Kansas City, Mo. 64170      |
| California, Hawaii  | Internal Revenue Service Center<br>5045 East Butler Avenue<br>Fresno, California 93705   |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia   | Internal Revenue Service Center<br>3131 Democrast Road<br>Memphis, Tennessee 38110       |
| Delaware, District of Columbia, Maryland, Pennsylvania  | Internal Revenue Service Center<br>11501 Rittenhall Boulevard<br>Philadelphia, Pa. 19155 |

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation that keeps all the books and records is located.

**C. When to file.**—Form 1120-DISC must be filed on or before the 15th day of the 9th month following the close of the taxable year.

No extension of time to file will be granted.

**D. Period to be covered by the 1976 return.**—The 1976 return is to be filed for calendar year 1976 and fiscal years beginning in 1976 and ending in 1977. If the return is for a fiscal year, fill in the taxable year space on the form.

**Final return.**—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**E. Change in accounting period.**—To change your accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period.

**F. Accounting methods.**—A DISC may, generally, choose any method of accounting permissible under section 446(c) and the regulations thereunder. However, if a DISC is a member of a controlled group (as defined in section 993(a)(3)), the DISC may not choose a method of accounting that, when applied to transactions between the DISC and other members of the controlled group, will result in a material distortion of the income of the DISC or any other member of the controlled group. A material distortion would occur, for example, if a DISC chooses to use the cash method of accounting where the DISC acts as a commission agent in a substantial volume of sales of property by a related corporation that uses the ac-

crual method of accounting and customarily pays commissions to the DISC more than 2 months after the sales.

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first obtaining consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—Money items may be shown as whole-dollar amounts by dropping any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

**G. Stock ownership in foreign corporations.**—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(c).

If you control a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

**H. Financial statements.**—The balance sheets must agree with your books and records. Any differences must be reconciled.

**I. Attachments.**—You may use attachments if the lines on the form schedules are not sufficient. They must contain all the required information; must follow the format of the official schedules; and must be attached to the return in the same sequence as the schedules appear on the official form. If an attachment is used in place of a schedule having a summary line on page 1, the total need not be entered on the schedule but must be entered on page 1.

Enter your name and identifying number on all attachments exactly as shown on page 1, Form 1120-DISC.

**J. Amended return.**—Correct any error in a previously filed return by filing an amended Form 1120-DISC.

**K. Signature.**—The return must be signed by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign any return that he is required to file on behalf of a corporation.

Any person, firm, or corporation preparing a Form 1120-DISC for compensation must sign and include their identifying number to verify the return. (Section 6109 requires tax return preparers to include their Employer Identification Number for identification purposes. Penalties may be assessed for failure to comply with this provision pursuant to section 6695.) However, a verifying signature is not required if the return is prepared by a regular, full-time corporate employee, such as a

clerk, secretary, or bookkeeper. If a firm or corporation prepares the return, it should be signed in the name of the firm or corporation.

**L. Total assets.**—If there are no assets at the end of the taxable year, enter the total assets at the beginning of the taxable year.

**M. Penalty for failure to file returns and provide information.**—A penalty is imposed by section 6686 (in addition to the penalty imposed by section 7203) on any person required to supply information or file a return who fails to supply information or file a return at the time prescribed or who files a return that does not show the information required.

Unless it is shown that the failure is due to reasonable cause, the penalty is (1) \$100 for each failure to supply information (the total amount imposed for all failures during any calendar year will not exceed \$25,000) or (2) \$1,000 for each failure to file a return.

**N. Taxation of a DISC.**—A DISC is not subject to any tax imposed by sections 1 through 1564 except for the tax imposed by sections 1491 through 1494 on certain transfers to avoid tax.

A DISC is not subject to the corporate income tax, the minimum tax on tax preferences, or the accumulated earnings tax.

A DISC is subject to the provisions of sections 1441 through 1461 relating to withholding of tax on nonresident aliens and foreign corporations.

**O. Investment credit and work incentive (WIN) credit.**—The investment credit and the work incentive (WIN) credit do not apply to a DISC and they do not pass through to any shareholder in a DISC.

**P. Nonresident alien individuals and foreign corporations, trusts, and estates.**—Treat all gains on the disposition of stock in a DISC or former DISC and all distributions out of accumulated DISC income, including deemed distributions, as effectively connected with the conduct of a trade or business conducted through a permanent establishment within the U.S.

**Q. Stock ownership.**—For rules of stock attribution, see section 267(c). If the owner of the voting stock of the DISC was an alien individual or a foreign entity (corporation, partnership, trust, or estate), so indicate by placing an X in the "Yes" box in the "Foreign Owner" column and enter the name of the owner's country in parentheses in the address column. "Owner's country" for individuals is their country of residence; for other foreign entities, it is the country in which organized or otherwise created, or in which administered.

**R. Foreign bank, securities and other financial accounts, and grantors, transferees or beneficiaries of foreign trusts.**—Form 4683 must be completed by a person:

1. who had any interest in or signature or other authority over a bank,

securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution), or

2. who was the grantor of, or transferee to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not that person has any beneficial interest in such trust.

Please note that this year Form 4683 must be filed by taxpayers having any interest in a foreign trust. In prior years this form was required to report an interest in a trust only if the interest was at more than a 50% interest.

## Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

**5. Cost of goods sold.**—Enter the amount shown on line 7, Schedule A.

**Cost of operations (where inventories are not an income-determining factor).**—If the amount entered on line 5 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

## Computation of Taxable Income

**11(a). Net operating loss deduction.**—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(a).)

A net operating loss may be carried back to each of the 3 years preceding the year of each loss and carried over to each of the 7 years following the year of such loss; or, an election may be made whereby a net operating loss may be carried over to each of the 7 years following the year of such loss. After applying the net operating loss to the initial year, the portion of the loss that may be carried to each of the remaining taxable years is the excess, if any, of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

The term "net operating loss" means the excess of allowable deductions over gross income, computed with the following modifications under section 172(d):

- (1) No net operating loss deduction is allowed.
- (2) The dividends-received deduction in line 1 of Schedule I is computed without regard to the 85% limitation provided in section 246(b). See section 1.172-2 of the regulations.

A deficit in earnings and profits is chargeable in the following order:

- (1) first, to other earnings and profits, to the extent thereof;
- (2) second, to accumulated DISC income, to the extent thereof; and

- (3) finally, to previously taxed income,

except that a deficit in earnings and profits will not be applied against accumulated DISC income which has been determined to be deemed distributed to the shareholders (pursuant to section 995(b)(2)(A)) as a result of a revocation of election or other disqualification.

In determining the taxable income that must be subtracted from a net operating loss to determine the portion of the loss that will still be available to carry to a subsequent year, the net operating loss deduction is determined without regard to the net operating loss for the loss year or any taxable year thereafter, and, under certain circumstances, without regard to any portion of a net operating loss attributable to a foreign expropriation loss.

**12. Taxable income.**—If either the gross receipts method or combined taxable income method is chosen for computing the taxable income of the DISC attributable to a transaction or group of transactions consisting of products or product lines, attach a Schedule P (Form 1120-DISC) showing, in detail, the computation of the DISC's taxable income attributable to each such transaction or group of transactions.

## Schedule A.—Cost of goods sold

If inter-company pricing rules are used, reflect in Schedule A actual purchases from a related supplier at the transfer price determined under the inter-company pricing rules of section 994. See Schedule P (Form 1120-DISC).

Where the DISC acts as a commission agent on a sale for any person, do not enter any amount in Schedule A for such sale. See Schedule P (Form 1120-DISC).

The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115.

A corporation electing to use the last-in, first-out (LIFO) method of valuing inventory provided in section 472 must attach Form 970 or a statement that contains all the information required by Form 970 to its return for the first year that method is to be used.

## Schedule B.—Gross Income

(Numbered to correspond with the line numbers in Schedule B.)

Enter gross income in lines 1 through 3 categorized as either (1) qualified export receipts from the sale of export property, (2) other qualified export receipts, or (3) nonqualified gross receipts. If an income item consists of two or more categories, report each on the applicable line. For example, if interest income consists of qualified interest from a foreign international sales corporation and nonquali-

fied interest from a domestic obligation, enter the qualified interest on an attached schedule for line 2(g) and the nonqualified interest on an attached schedule for line 3(f).

**Special rule when the DISC acts as a commission agent.**—For commissions on the sale, lease, or rental of property, or the furnishing of services, list in column B the gross receipts on the sale, lease, or rental of property, or the furnishing of services on which the commissions arose and in column C the commissions earned. Receipts from non-commission sales, leases, rentals, or the furnishing of services and all other receipts should be reported on the appropriate lines in column D. Column E is the sum of commissions reported in Column C and receipts from non-commission sales, leases, or rentals and all other receipts reported in column D.

See instructions for lines 2(h) and 2(i) for details regarding the reporting of gains from sale of qualified export assets.

If you use the installment method of reporting, attach a schedule showing for the current and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on the amount collected.

**1. Qualified export receipts from the sale of export property.**—These are receipts from the sale of property, such as inventory, produced in the U.S. for direct use, consumption, or disposition outside the U.S.

For a sale to meet the export requirement, it must meet (1) a destination test and (2) a requirement that the sale not be for ultimate use in the U.S.

The destination test will be considered satisfied if the property is delivered (regardless of the F.O.B. point or the place at which title passes or risk of loss shifts from the seller or lessor):

(a) Within the U.S. to a carrier or freight forwarder for ultimate delivery outside the U.S. to a purchaser or lessee (or to a subsequent purchaser or sublessee);

(b) Within the U.S. to a purchaser or lessee, if the property is ultimately delivered outside the U.S. (including delivery to a carrier or freight forwarder for delivery outside the U.S.) by the purchaser or lessee (or a subsequent purchaser or sublessee) within one year after the sale or lease;

(c) Within or outside the U.S. to a purchaser or lessee that, at the time of the sale or lease, is a DISC and is not a member of the same controlled group (as defined in section 993(a)(3)) as the seller or lessor;

(d) From the U.S. to the purchaser or lessee (or a subsequent purchaser or sublessee) at a point outside the U.S. by means of the seller's or lessor's own ship, aircraft, or other delivery vehicle;

(e) Outside the U.S. to a purchaser or lessee from a warehouse, a storage facility, or assembly site located outside the U.S., if the property was previously shipped by the seller or lessor from the U.S.; or

(f) Outside the U.S. to a purchaser or lessee if the property was previously shipped by the seller or lessor from the U.S. and if the property is located outside the U.S. pursuant to a prior lease by the seller or lessor, and either (a) the prior lease terminated at the expiration of its term (or by the action of the prior lessee acting alone), (b) the sale occurred or the term of the subsequent lease began after the time at which the term of the prior lease would have expired, or (3) the lessee under the subsequent lease is not a related person (a member of the same controlled group as defined in section 993(a)(3)) or a relationship that would result in a disallowance of losses under section 267 or section 707(b) immediately before or after the lease with respect to the lessor and the prior lease was terminated by the action of the lessor (acting alone or together with the lessee).

The second part of the export requirement for sales is that the sale must not be for ultimate use in the U.S. This test is applied at the time of the sale. If the property is to be used predominantly outside the U.S., the sale is not for ultimate use in the U.S.

Property sold to an unrelated person is considered sold for ultimate use in the U.S. if it is sold pursuant to an agreement or understanding that it will be used in the U.S. or if a reasonable person would have believed that it will be used in the U.S.

For example, if property is sold to a foreign wholesaler and it is known in trade circles that the wholesaler, to a substantial extent, supplies the U.S. retail market, the sale would not be a qualified export sale.

Special rules apply in the case of certain exported components incorporated into products imported into the U.S.

In general, related purchasers are purchasing corporations that are members of the same controlled group (as defined in section 993(a)(3)) as the DISC. Unrelated purchasers are all other purchasers.

1(a).—Enter the DISC's qualified export receipts (other than those entered on line 1(b)) from sales of export property to foreign unrelated purchasers for delivery outside the U.S.

1(b).—Enter the DISC's qualified export receipts from sales of export property for delivery outside the U.S. to (1) a related foreign entity for resale (directly or indirectly) to a foreign unrelated purchaser, or (2) an unrelated purchaser where a related foreign entity acts as commission agent. A related

foreign entity is a foreign corporation that is a member of the same controlled group (as defined in section 993(a)(3)) as the DISC.

2(a). **Leasing of export property.**—Enter the gross amount received from the leasing (including subleasing) of export property to unrelated persons for use outside the U.S.

Whether the leased property satisfies the usage test is to be determined on a year-by-year basis.

The receipts from a lease of export property may qualify in some years and not in other years depending upon the place where the lessee uses the property in the years involved.

Deduct expenses such as repairs, interest, taxes, and depreciation on the proper lines for such deductions.

2(b). **Services related and subsidiary to a qualified export sale or lease.**—A service is related to a sale or lease if it is of a kind customarily and usually furnished with that type of transaction in a trade or business in which the transaction arose and if the agreement to furnish the services is connected with the sale or lease. A service is subsidiary if it is of less importance and value as compared to the sale or lease.

2(c). **Engineering and architectural services.**—Receipts from engineering or architectural services on foreign construction projects which are either located abroad or proposed for location abroad are qualified receipts. They include feasibility studies, design and engineering, and general supervision of construction but do not include services connected with exploration for minerals.

2(d). **Export management services.**—Include receipts for export management services provided to unrelated DISCs.

2(f). **Interest on producer's loans.**—A producer's loan must be evidenced by a note or other evidence of indebtedness, be designated as a producer's loan, have a stated maturity not to exceed 5 years, and be attributable to the borrower's assets used in exporting and research and development.

2(g). **Other interest.**—Enter interest on any qualified export asset other than interest on producer's loans.

Include, for example, interest on accounts receivable arising out of sales in which the DISC acted as a principal or agent and interest on certain obligations issued, guaranteed, or insured by the Export-Import Bank or the Foreign Credit Insurance Association.

2(h). **Net capital gains.**—Every sale or exchange of a capital asset must be reported in detail on a separate Schedule D (Form 1120) even though no gain or loss is indicated.

In addition to completing Schedule D (Form 1120), attach a separate

schedule computing the gain from the sale of qualified export assets.

2(i). **Ordinary gain or (loss).**—Enter the total ordinary gain or loss from line 9, Part II, Form 4797.

In addition to completing Form 4797, attach a separate schedule computing the gain from the sale of qualified export assets.

3(b). **Exports subsidized by the U.S. Government.**—Enter receipts from the sale of products subsidized under a program of the U.S. Government, or any instrumentality thereof, that have been designated as excluded receipts.

3(c). **Certain direct or indirect sales or leases for use by the U.S. Government.**—Enter receipts from direct or indirect sales or leases of property or services for use by the U.S. Government, or any instrumentality thereof, where the use of U.S. products or services is required by statute or regulations.

3(d). **Sales to another DISC in the same controlled group.**—Enter receipts from a DISC that is a member of the same controlled group of corporations. See section 993(a)(3) for the definition of controlled group.

3(f). **Other.**—Include in an attached schedule any nonqualified gross receipts not reported on lines 3(a) through 3(e). Do not offset an item of income against a similar item of expense.

#### Schedule C.—Dividends

(Numbered to correspond with the line numbers in Schedule C.)

1. Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1).

Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends-received deduction.

For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends.

2. Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

3. Enter dividends received from foreign corporations that qualify for the 85% deduction provided in section 245(a).

4. Enter dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).

5. Enter foreign dividends (including minimum distributions under subpart F) that are not reportable on lines 3 and 4. Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.

6. Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, line 5 of Form(s) 3646.

7. Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% dividends-received deduction. (See sections 246(d), 995(b), and 996(a)(3).)

8. Include dividends (other than capital gain dividends) received from regulated investment companies that are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856 through 858; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

10. Enter dividends (and income constructively received from controlled foreign corporations under subpart F) from a qualified foreign investment of a DISC in a related foreign export corporation which constitute qualified dividends. Generally, the investment will be in stock or securities of a foreign selling subsidiary of the DISC which qualifies as a foreign international sales corporation (FISC).

#### Schedule E.—Deductions

(Numbered to correspond with the line numbers in Schedule E.)

Enter export promotion expenses in line 1. Export promotion expenses are a DISC's ordinary and necessary expenses paid or incurred to obtain qualified export receipts (but do not include income taxes). Any expense (or any part of an expense) not incurred to obtain qualified export receipts should be entered in line 2.

1(c). **Depreciation.**—Attach Form 4562 if you claim a deduction for depreciation. Enter on this line the depreciation not claimed in Schedule A and elsewhere on the return.

1(h). **Freight.**—Enter one-half of the freight expenses (not including insurance) for shipping export property aboard U.S. flag vessels and U.S. owned and operated aircraft (unless required by law).

1(i). **Compensation of officers.**—Attach a schedule showing the name,

social security number, title, amount of compensation, and expense account allowance for your 5 highest paid officers.

To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. The expense account allowance does not have to be shown for any officer for whom the combined compensation and expense account allowance is less than \$30,000.

For this purpose, an officer is a person, such as regular officer, chairman of the board, etc., who is elected or appointed to office or who is designated as an officer in the corporation's charter or bylaws.

1(j). **Repairs.**—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include on this line the total amount of repairs from Form 4832.

1(k). **Amortization.**—If you claim a deduction for amortization, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

1(l). **Pension, profit-sharing, etc. plans.**—Complete Form 5500 for each of your plans and file each as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of the amount of allowable deduction. File these forms on or before the last day of the 7th month following the close of your taxable year.

1(m). **Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 1(l).

2(a). **Bad debts.**—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Application to change the method of computing bad debts must be made on Form 3115.

2(b). **Taxes.**—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax.

See section 164(d) for apportionment of tax on real property between seller and purchaser.

2(c). **Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for the limitation on deductions for unpaid expenses and interest in transactions between related taxpayers.

See section 461(g) for limitation on deduction for prepaid interest by a cash basis taxpayer.

2(d). **Contributions.**—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 12 of page 1) computed without regard to: (1) any deduction for contributions, (2) the dividends-received deduction on line 11(b) of page 1, (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) any capital loss carryback to the taxable year under section 1212(a)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

A contribution carryover is not allowed to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property.—If you make a charitable contribution of property, the contribution must be reduced by the sum of:

- (1) the ordinary income and
  - (2) for certain contributions, 62½% of the long-term capital gain,
- that would have resulted if the property were sold at its fair market value. The

reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).) However, a charitable contribution of inventory and property described in section 1221(1) and (2), made after October 4, 1976, to a public charity or private operating foundation for exempt purpose use in the care of ill, needy, or children may be deducted to the extent of basis plus one-half of appreciation of such property, but in no event may the deduction exceed twice the basis for such property. (Section 170(e).)

**Bargain sale to a charitable organization.**—If you claim a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**2(e). Freight.**—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

**2(g). Other.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each class. Show the amount allocated by apportionment separately.

#### **Schedule I.—Dividends—received deduction**

1. In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 15 days or less or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities.

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent it is paid out of accumulated DISC income or previously taxed income or is a deemed distribution pursuant to section 995(b)(1).

**2. Limitation on dividends-received deduction.**—Line 2 may not exceed 85% of line 10, page 1.

For this purpose, line 10 is to be computed without regard to any capital

loss carryback to the taxable year under section 1212(a)(1).

In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction.

#### **Schedule J.—Deemed and Actual Distributions to Shareholders for the Taxable Year**

**Part I.—Deemed distributions under section 995(b)(1)** (Numbered to correspond with the line numbers in Part I of Schedule J.)

2. Attach a computation showing the gain recognized by the DISC during the taxable year on the sale or exchange of property, other than property which in the hands of the DISC is a qualified export asset, previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized.

3. Attach a computation showing the gain (other than the gain entered on line 2) recognized by the DISC during the taxable year on the sale or exchange of property (other than property which in the hands of the DISC is stock in trade or other property described in section 1221(1)) previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized and would have been treated as ordinary income if the property had been sold or exchanged rather than transferred to the DISC.

4. For purposes of computing the portion of your taxable income attributable to military property use the gross income for the year attributable to military property and the deductions which are properly apportioned or allocated to such income. See section 38 of the International Security Assistance and Arms Export Control Act of 1976 (22 USC 2778) and regulations thereunder (22 CFR 121.01) for definition of "military property."

11. Under section 995(b)(1)(F)(ii), a DISC is deemed to distribute the entire amount of its income attributable to participation in or cooperation with an international boycott. See Form 5713 for computation of this deemed distribution and reporting requirements of any DISC with operations in or related to a "boycotting" country.

12. Under section 995(b)(1)(F)(iii), a DISC is deemed to distribute the amount of any illegal bribe, kickback or other payment paid after November 3, 1976 by or on behalf of the DISC, directly or indirectly, to an official, employee or agent of any government.

14. Attach a computation showing the earnings and profits for the taxable year.

For purposes of computing the earnings and profits for taxable years beginning after June 30, 1972, the al-

lowance for depreciation (and amortization, if any) is the amount which would be allowable for such year if the straight line method of depreciation had been used for each taxable year beginning after June 30, 1972. See section 312(k)(2) for exception.

16. Attach a computation showing the amount of (1) foreign investment attributable to producer's loans (as defined in section 995(d)) of the DISC for the taxable year; (2) all accumulated earnings and profits including earnings and profits for the taxable year less the amount on line 15, Part I; and (3) accumulated DISC income. Enter the smaller of these 3 amounts (but not less than zero) on line 16.

Foreign investment attributable to producer's loans will be the smallest of these 3:

- (1) the net increase in foreign assets by members of the controlled group (as defined in section 993(a)(3)) that includes the DISC,
- (2) the actual foreign investment by domestic members of the group, or
- (3) the amount of the DISC's outstanding producer's loans to members of the controlled group.

For the definitions of "net increase in foreign assets" and "actual foreign investment," see sections 995(d)(2) and 995(d)(3).

#### **Part II.—Computation of Taxable Income Attributable to Base Period Export Gross Receipts**

4. Include the annualized taxable income but no taxable losses incurred by any DISC which is a member of your controlled group (as defined in section 993(a)(3)) for the latest taxable year ending with or within your taxable year.

5. If this amount is \$100,000 or less, omit lines 6 through 21 and enter zero on line 22 and on line 8, Part I.

6. **Column C.**—Generally, if export property does not qualify in the current year under 993(c)(2) as giving rise to export gross receipts, then the gross receipts from such property should be excluded in computing the export gross receipts for the base period.

However, if, by virtue of section 603(b)(2) of the Tax Reduction Act of 1975, export property qualifies in the current year as giving rise to export gross receipts, then the DISC must increase its export gross receipts for the base period. See section 1101(g)(5) of the Tax Reform Act of 1976 for computation to be used.

**Note:** Enter gross receipts, not just commissions, in the case of transactions made on a commission basis.

11b. Additions must be made to base period export gross receipts in certain cases where there has been a separation in ownership of the stock in the DISC from ownership in the underlying trade or business which produced the export gross receipts during the base

period, and in cases where any 5% or more shareholder-owned 5% or more of the stock of another DISC in any base period year. (See sections 995(e)(9) and 995(e)(10).)

15. Include on this line the annualized export gross receipts of all DISCs which are members of your controlled group (as defined in section 993(a)(3)) for their latest taxable year ending with or within your taxable year.

#### **Part III.—Deemed distributions under section 995(b)(2)**

A shareholder of a corporation that revoked its election to be treated as a DISC or failed to qualify as a DISC for a taxable year will be deemed to have received a distribution taxable as a dividend equal to his pro rata share of the

DISC income of the corporation accumulated during the immediately preceding consecutive taxable years for which the corporation was a DISC. The distributions will be deemed to be received in equal installments on the last day of each of the 10 taxable years of the corporation following the year of the termination or disqualification (but in no case over more than twice the number of immediately preceding consecutive taxable years during which the corporation was a DISC).

#### **Schedule K.—Shareholder's Statement of DISC Distribution**

Attach a separate Copy A, Schedule K (Form 1120-DISC) to Form 1120-DISC for each shareholder who had an

actual or deemed distribution during the DISC's taxable year.

#### **Schedule N.—Export Gross Receipts of the DISC and Related U.S. Persons**

Complete and attach Schedule N (Form 1120-DISC) to Form 1120-DISC.

#### **Schedule P.—Computation of Inter-company Transfer Price or Commission**

Attach a separate Schedule P (Form 1120-DISC) for each transaction or group of transactions to which the inter-company pricing rules of section 994 (a)(1) and (2) are applied.

## **Codes for Principal Business Activity**

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments. However, certain activities, such as manufacturing, do not apply to a DISC.

### **TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES**

**Code**  
**Transportation:**  
 4400 Water transportation  
 4700 Other transportation services

**Electric, gas, and sanitary services:**  
 4910 Electric services  
 4920 Gas production and distribution  
 4930 Combination utility services

### **WHOLESALE TRADE**

**Durable**  
 5010 Motor vehicles and automotive equipment  
 5030 Lumber and construction materials  
 5050 Metals and minerals, except petroleum and scrap  
 5060 Electrical goods  
 5070 Hardware, plumbing and heating equipment  
 5080 Machinery, equipment, and supplies  
 5098 Other durable goods

### **Nondurable**

5110 Paper and paper products  
 5129 Drugs, chemicals, and allied products  
 5130 Apparel, piece goods, and notions  
 5140 Groceries and related products, except meats and meat products  
 5147 Meats and meat products  
 5150 Farm-product raw materials  
 5170 Petroleum and petroleum products  
 5180 Alcoholic beverages  
 5190 Miscellaneous nondurable goods

Using the list below, enter on page 1, under B, the code number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means all income (line 4, page 1). On page 5, question 1, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Wholesale trade: Machinery, equipment, and supplies," the principal product or service may be "Engines and turbines."

### **RETAIL TRADE**

**Code**  
**Building materials, hardware, garden supply, and mobile home dealers:**  
 5220 Building materials dealers  
 5251 Hardware stores  
 5265 Garden supplies and mobile home dealers  
 5300 General merchandise stores  
 5400 Food stores

**Automotive dealers and service stations:**  
 5515 Motor vehicle dealers  
 5541 Gasoline service stations  
 5598 Other automotive dealers  
 5600 Apparel and accessory stores  
 5700 Furniture and home furnishings stores  
 5800 Eating and drinking places

**Miscellaneous retail stores:**  
 5912 Drug stores and proprietary stores  
 5921 Liquor stores  
 5995 Other miscellaneous retail stores

### **FINANCE, INSURANCE, AND REAL ESTATE**

**Credit agencies other than banks:**  
 6199 Other credit agencies

### **SERVICES**

**Business services:**  
 7389 Export management services  
**Auto repair and services; miscellaneous repair services:**  
 7500 Lease or rental of motor vehicles  
**Amusement and recreational services:**  
 7812 Motion picture production, distribution, and services  
**Other services:**  
 8599 Engineering and architectural services



**IMPORTANT**—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction W.

|   |   |   |                              |  |  |  |
|---|---|---|------------------------------|--|--|--|
| <b>GROSS INCOME</b>   | 1   | Gross receipts or gross sales   | Less: Returns and allowances |  |  |  |
|   | 2   | Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)                               |                              |  |  |  |
|   | 3   | Gross profit  |                              |  |  |  |
|   | 4   | Dividends (Schedule C)  |                              |  |  |  |
|   | 5   | Interest on obligations of the U.S. and its instrumentalities   |                              |  |  |  |
|   | 6   | Other interest  |                              |  |  |  |
|   | 7   | Gross rents   |                              |  |  |  |
|   | 8   | Gross royalties   |                              |  |  |  |
|   | 9   | (a) Net capital gains (attach Schedule D (Form 1120))   |                              |  |  |  |
|   |   | (b) Ordinary gain or (loss) from Part II, Form 4797 (attach Form 4797)                                  |                              |  |  |  |
| 10  | Other income (see instructions—attach schedule) |   |                              |  |  |  |
| 11  | <b>TOTAL income—Add lines 3 through 10</b>      |   |                              |  |  |  |
| <b>DEDUCTIONS</b>   | 12  | Compensation of officers (Schedule E)   |                              |  |  |  |
|   | 13  | Salaries and wages (not deducted elsewhere)   |                              |  |  |  |
|   | 14  | Repairs (see instructions)  |                              |  |  |  |
|   | 15  | Bad debts (Schedule F if reserve method is used)  |                              |  |  |  |
|   | 16  | Rents   |                              |  |  |  |
|   | 17  | Taxes (attach schedule)   |                              |  |  |  |
|   | 18  | Interest  |                              |  |  |  |
|   | 19  | Contributions (not over 5% of line 30 adjusted per instructions—attach schedule)                        |                              |  |  |  |
|   | 20  | Amortization (attach schedule)  |                              |  |  |  |
|   | 21  | Depreciation (Schedule G)   |                              |  |  |  |
|   | 22  | Depletion   |                              |  |  |  |
|   | 23  | Advertising   |                              |  |  |  |
|   | 24  | Pension, profit-sharing, etc. plans (see instructions) (enter number of plans)                          |                              |  |  |  |
|   | 25  | Employee benefit programs (see instructions)  |                              |  |  |  |
|   | 26  | Other deductions (total from page 5)  |                              |  |  |  |
|   | 27  | <b>TOTAL deductions—Add lines 12 through 26</b>   |                              |  |  |  |
|   | 28  | <b>Taxable income before net operating loss deduction and special deductions (line 11 less line 27)</b> |                              |  |  |  |
|   | 29  | Less: (a) Net operating loss deduction (see instructions—attach schedule)                               |                              |  |  |  |
|   |   | (b) Special deductions (Schedule I)   |                              |  |  |  |
|   | 30  | <b>Taxable income (line 28 less line 29)</b>  |                              |  |  |  |
| <b>M Business description (see page 8 of instructions)</b><br>(1) Business code no. _____<br>(2) Principal business activity _____<br>_____<br>_____<br>(3) Principal product or service _____<br>_____<br>_____  |   |   |                              | <b>O Amount of taxable income or (loss) from line 30, page 3 for your taxable year beginning in:</b><br>1973 _____<br>1974 _____<br>1975 _____   | <b>Yes</b><br><input type="checkbox"/><br><input checked="" type="checkbox"/>                                | <b>No</b><br><input checked="" type="checkbox"/><br><input type="checkbox"/>                                 |
| <b>N Were you a member of a controlled group subject to the provisions of Section 1561?</b><br>If "Yes," check type of relationship:<br>(a) <input type="checkbox"/> parent-subsidiary<br>(b) <input type="checkbox"/> brother-sister<br>(c) <input type="checkbox"/> combination of (a) and (b)<br>(See section 1563.) |   |   |                              | <b>P Did you claim a deduction for expenses connected with:</b><br>(1) Entertainment facility (boat, resort, ranch, etc.)?<br>(2) Living accommodations (except for employees on business)?<br>(3) Employees' families at conventions or meetings?<br>(4) Employee or family vacations not reported on Form W-2? | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> |
| <b>Q Did you file all required Forms 1042, 1087, 1096, and 1099?</b>  |   |   |                              | <input type="checkbox"/>   | <input type="checkbox"/>   |  |

**Schedule C Dividends (See instruction 4)**

[illegible]

|   |  |
|---|--|
| 1 Dividends received: (a) 85% of line 1, Schedule C   |  |
| (b) 60.208% of line 2, Schedule C   |  |
| (c) 85% of line 3, Schedule C   |  |
| 2 Total—May not exceed 85% of line 28, page 3. The 85% limitation does not apply to a year in which a net operating loss occurs |  |
| 3 Dividends paid on certain preferred stock of public utilities (see instructions)  |  |
| 4 Total special deductions—Add lines 2 and 3. Enter here and on line 29(b), page 3  |  |

|    |   |  |
|----|---|--|
| 1  | Taxable income (line 30, page 3)  |  |
| 2  | Enter line 1 or \$25,000, whichever is lesser. (Members of a controlled group, see instructions)                  |  |
| 3  | Line 1 less line 2  |  |
| 4  | Enter line 3 or \$25,000, whichever is lesser. (Members of a controlled group, see instructions)                  |  |
| 5  | Line 3 less line 4  |  |
| 6  | 20% of line 2   |  |
| 7  | 22% of line 4   |  |
| 8  | 48% of line 5   |  |
| 9  | Income tax (Sum of lines 6, 7 and 8 or alternative tax from separate Schedule D (Form 1120), whichever is lesser) |  |
| 10 | (a) Foreign tax credit (attach Form 1118)   |  |
|    | (b) Investment credit (attach Form 3468)  |  |
|    | (c) Work incentive (WIN) credit (attach Form 4874)  |  |
| 11 | Line 9 less line 10   |  |
| 12 | Tax from recomputing a prior year investment credit (attach Form 4255)  |  |
| 13 | Tax from recomputing a prior year WIN credit (see instructions—attach computation)                                |  |
| 14 | Total of lines 11, 12 and 13. Enter here and on line 2, page 1  |  |

[illegible][illegible]

| ASSETS                               |   | (A) Amount | (B) Total | (C) Amount | (D) Total |
|--------------------------------------|---|------------|-----------|------------|-----------|
| 1                                    | Cash . . . . .  |            |           |            |           |
| 2                                    | Trade notes and accounts receivable . . . . .               |            |           |            |           |
|                                      | (a) Less allowance for bad debts . . . . .                  |            |           |            |           |
| 3                                    | Inventories . . . . .                                       |            |           |            |           |
| 4                                    | Gov't obligations: (a) U.S. and instrumentalities . . . . . |            |           |            |           |
|                                      | (b) State, subdivisions thereof, etc. . . . .               |            |           |            |           |
| 5                                    | Other current assets (attach schedule) . . . . .            |            |           |            |           |
| 6                                    | Loans to stockholders . . . . .                             |            |           |            |           |
| 7                                    | Mortgage and real estate loans . . . . .                    |            |           |            |           |
| 8                                    | Other investments (attach schedule) . . . . .               |            |           |            |           |
| 9                                    | Buildings and other fixed depreciable assets . . . . .      |            |           |            |           |
|                                      | (a) Less accumulated depreciation . . . . .                 |            |           |            |           |
| 10                                   | Depletable assets . . . . .                                 |            |           |            |           |
|                                      | (a) Less accumulated depletion . . . . .                    |            |           |            |           |
| 11                                   | Land (net of any amortization) . . . . .                    |            |           |            |           |
| 12                                   | Intangible assets (amortizable only) . . . . .              |            |           |            |           |
|                                      | (a) Less accumulated amortization . . . . .                 |            |           |            |           |
| 13                                   | Other assets (attach schedule) . . . . .                    |            |           |            |           |
| 14                                   | Total assets . . . . .                                      |            |           |            |           |
| LIABILITIES AND STOCKHOLDERS' EQUITY |   |            |           |            |           |
| 15                                   | Accounts payable . . . . .                                  |            |           |            |           |
| 16                                   | Mtgs., notes, bonds payable in less than 1 year . . . . .   |            |           |            |           |
| 17                                   | Other current liabilities (attach schedule) . . . . .       |            |           |            |           |
| 18                                   | Loans from stockholders . . . . .                           |            |           |            |           |
| 19                                   | Mtgs., notes, bonds payable in 1 year or more . . . . .     |            |           |            |           |
| 20                                   | Other liabilities (attach schedule) . . . . .               |            |           |            |           |
| 21                                   | Capital stock: (a) Preferred stock . . . . .                |            |           |            |           |
|                                      | (b) Common stock . . . . .                                  |            |           |            |           |
| 22                                   | Paid-in or capital surplus . . . . .                        |            |           |            |           |
| 23                                   | Retained earnings—Appropriated (attach schedule) . . . . .  |            |           |            |           |
| 24                                   | Retained earnings—Unappropriated . . . . .                  |            |           |            |           |
| 25                                   | Less cost of treasury stock . . . . .                       |            |           |            |           |
| 26                                   | Total liabilities and stockholders' equity . . . . .        |            |           |            |           |

|     |   |  |     |  |  |
|-----|---|--|-----|--|--|
| 1   | Net income per books . . . . .  |  | 7   | Income recorded on books this year<br>not included in this return (itemize)          |  |
| 2   | Federal income tax . . . . .  |  | (a) | Tax-exempt interest \$ . . . . .   |  |
| 3   | Excess of capital losses over capital gains . . . . .                         |  |     |  |  |
| 4   | Income subject to tax not recorded on books this year<br>(itemize) . . . . .  |  | 8   | Deductions in this tax return not charged<br>against book income this year (itemize) |  |
| 5   | Expenses recorded on books this year not<br>deducted in this return (itemize) |  | (a) | Depreciation . . . \$ . . . . .  |  |
| (a) | Depreciation . \$ . . . . .   |  | (b) | Depletion . . . \$ . . . . .   |  |
| (b) | Depletion . . \$ . . . . .  |  |     |  |  |
|     |   |  | 9   | Total of lines 7 and 8 . . . . .   |  |
| 6   | Total of lines 1 through 5 . . . . .  |  | 10  | Income (line 28, page 3)—line 6 less line 9 . . . . .                                |  |

|  |  |   |  |
|--|--|---|--|
| 1 Balance at beginning of year . . . . . |  | 5 Distributions: (a) Cash . . . . .                     |  |
| 2 Net income per books . . . . .         |  | (b) Stock . . . . .                                     |  |
| 3 Other increases (itemize) . . . . .    |  | (c) Property . . . . .                                  |  |
|  |  | 6 Other decreases (itemize) . . . . .                   |  |
|  |  |   |  |
| 4 Total of lines 1, 2, and 3 . . . . .   |  | 7 Total of lines 5 and 6 . . . . .                      |  |
|  |  | 8 Balance at end of year (line 4 less line 7) . . . . . |  |

# 1976 Department of the Treasury Internal Revenue Service Instructions for Form 1120F U.S. Income Tax Return of a Foreign Corporation

(References are to the Internal Revenue Code)

## General Instructions

**A. Who must file.**—Except as otherwise provided, Form 1120F must be filed by every foreign corporation that (1) is engaged in a trade or business in the U.S. at any time during the taxable year, (2) has income from U.S. sources that is not effectively connected with the conduct of a trade or business within the U.S. (section 881), (3) has income that is effectively connected with the conduct of a trade or business within the U.S. (section 882), or (4) has items of tax preference (described in section 57) which enter into the computation of unrelated business income.

For example, a foreign corporation engaged in a trade or business in the U.S. at any time during the taxable year must file Form 1120F even though (a) it has no income effectively connected with the conduct of a trade or business in the U.S., (b) it has no income from sources within the U.S., or (c) its income is exempt from income tax by reason of an income tax convention or any section of the Code. However, if the foreign corporation has no gross income for the taxable year, it is not required to complete the return schedules but a statement must be attached to the return showing the nature of any amounts excluded from gross income and the amounts of such exclusions to the extent they are readily determinable.

Under new section 819A, a domestic mutual life insurance company can elect to exclude from the computation of its taxable income all income and expense of its contiguous country (Canada and Mexico) branches. If this election is made, the contiguous country branch is treated as a foreign corporation for the purposes of the tax imposed by sections 881, 882, and 1442 on U.S. sourced income. Form 1120F must be used to report these types of income.

If a receiver, trustee in dissolution, trustee in bankruptcy, or assignee has possession of or holds title to all, or substantially all, the property or business of a corporation, whether or not the property or business is being operated, he must file a return for the corporation in the same manner and form required of other corporations. (Section 6012.)

If a foreign corporation has no office or place of business in the U.S. at the time a return is due, but has an agent

in the U.S., the agent must file the return. (Section 882(f).)

**Exceptions.**—(1) A foreign corporation which at no time during the taxable year is engaged in a trade or business in the U.S. is not required to file if its tax liability for the taxable year is fully satisfied by the withholding of tax at the source.

This exception does not apply to: (a) a foreign corporation which has income for the taxable year which is treated under section 882(d) or (e) as income which is effectively connected with the conduct of a trade or business in the U.S. by that corporation for the taxable year,

(b) a foreign corporation making a claim for the refund of an overpayment of tax for the taxable year, or

(c) to a foreign corporation described in section 1.532-1(c)(2)(i) of the regulations whose accumulated taxable income for the taxable year is determined under section 1.535-1(b)(2) of the regulations.

(2) A foreign corporation that is a beneficiary of an estate or trust which is engaged in a trade or business in the U.S. is not required to make a return for the taxable year merely because it is deemed to be engaged in a trade or business within the U.S. under section 875(2). However, the foreign corporation will be required to make a return if it otherwise satisfies the filing requirements.

(3) Foreign insurance companies described in section 1.6012-2(c)(1) and (2) of the regulations must file Form 1120L or Form 1120M. All other foreign insurance companies must file Form 1120F.

**B. Where to file.**—All foreign corporations (whether or not engaged in a trade or business within the U.S.) must file their return with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

**C. When to file.**—Foreign corporations having an office or place of business within the U.S. must file on or before the 15th day of the 3d month following the end of their taxable year.

Foreign corporations NOT having an office or place of business within the U.S. must file on or before the 15th day of the 6th month following the end of their taxable year.

You may request an automatic 3-month extension of time to file Form 1120F by filing Form 7004.

Form 7005 may be used to request an additional extension but only by those corporations that previously obtained an automatic 3-month extension by filing Form 7004.

## D. Payment of tax.

(1) **Foreign corporations having an office or place of business within the U.S.**—The balance of tax due (line 7, page 1) must be paid in full when the return is filed or in two installments—50% by the 15th day of the 3d month and 50% by the 15th day of the 6th month after the close of the taxable year.

All payments, including payments of estimated tax, must be deposited with an authorized commercial bank depository or Federal Reserve bank. Do not remit directly to Internal Revenue Service. All deposits must be accompanied by a Federal Tax Deposit Form.

List all deposits in Schedule K that relate to the taxable year for which this return is filed and which were made before or simultaneously with the filing of this return.

Timeliness of deposit will be determined by the date the deposit was recorded as received by the commercial bank depository or Federal Reserve bank.

Corporations needing Federal Tax Deposit Forms may obtain them from the Philadelphia Service Center. The application should include the corporation's name, identification number, address, taxable year to which the deposits relate, and a statement identifying the corporation as a foreign corporation.

(2) **Foreign corporations not having an office or place of business within the U.S.**—The balance of tax due (line 7, page 1) must be paid in full when the return is filed or in two installments—50% on or before the 15th day of the 6th month and 50% on or before the 15th day of the 9th month following the close of the taxable year.

The tax may be paid by check or money order drawn to the order of "Internal Revenue Service" and remitted to the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

Enter your employer identification number on all remittances.

**E. Taxation of foreign corporations.**—Foreign corporations are taxed at regular corporate tax rates on income that is effectively connected with the conduct of a trade or business within the U.S. (see instruction F), and at a 30% or lower treaty rate on income from U.S. sources that is not effectively connected with the conduct of a trade or business within the U.S. (See instruction G.)

**F. Income effectively connected with the conduct of a trade or business within the U.S.**—Foreign corporations engaged in a trade or business within the U.S. are taxed at regular corporate tax rates on the following income:

1. All income, gain, or loss from U.S. sources except as provided in the next paragraph.

2. Certain fixed or determinable annual or periodical income from U.S. sources and gain or loss from U.S. sources from the sale or exchange of capital assets will generally be treated as effectively connected income if (a) the income, gain, or loss is derived from assets used in, or held for use in, the conduct of the corporation's trade or business, or (b) the activities of the corporation's trade or business were a material factor in the realization of the income, gain, or loss.

3. Under certain circumstances, limited categories of income from foreign sources will be treated as effectively connected income.

A foreign corporation not engaged in a trade or business within the U.S. will not have any effectively connected income unless (1) it elects under section 882(d) to treat real property income as effectively connected income (see instruction H), or (2) it is a corporation created or organized in a U.S. possession and conducts a banking business in a U.S. possession and receives interest on U.S. obligations (in such case the interest will be treated as effectively connected income).

All gains on the disposition of stock in a DISC or former DISC and all distributions out of accumulated DISC income, including deemed distributions, are treated as effectively connected with the conduct of a trade or business conducted through a permanent establishment within the U.S.

For further details relating to effectively connected income, see section 864(c).

Complete Section II of the form to compute the tax on such income.

**G. Income from U.S. sources not effectively connected with the conduct of a trade or business within the U.S.**—In general, whether or not a foreign corporation is engaged in a trade or business, the gross amount of income is subject to tax at a 30% or lower treaty rate.

A corporation created or organized in Guam or under the law of Guam is not considered a foreign corporation for purposes of the tax imposed by section 881.

In general, the income consists of the following types of income described in section 881 (to the extent not effectively connected with the conduct of a trade or business within the U.S.):

2.

1. Interest (other than original issue discount as defined in section 1232(b)), dividends, rents and royalties, salaries, wages, premiums, annuities, compensation, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income;

2. Gains described in section 631(b) or (c) from disposal of timber, coal, or domestic iron ore with a retained economic interest;

3. In the case of:

(a) bonds or other evidences of indebtedness issued after September 28, 1965 and before April 1, 1972, amounts which under section 1232(a)(2)(B) are considered as gain from the sale or exchange of property which is not a capital asset and, in the case of corporate obligations issued after May 27, 1969 and before April 1, 1972, amounts which would be so considered but for the fact that the obligations were issued after May 27, 1969,

(b) bonds or other evidences of indebtedness issued after March 31, 1972 and payable more than 6 months from the date of original issue (without regard to the period held by the taxpayer), amounts which under section 1232(a)(2)(B) would be considered as gain from the sale or exchange of property which is not a capital asset but for the fact that the obligations were issued after May 27, 1969, and

(c) the payment of interest on an obligation described in (b) above, an amount equal to the original issue discount (but not in excess of the interest less the tax imposed at a 30% or lower treaty rate) accrued on the obligation since the last payment of interest; and

4. Certain gains from the sale or exchange of patents, copyrights, and other intangible property, as described in section 881(a)(4).

No deductions are allowable against this income because the tax is imposed upon the gross amount received.

Complete Section I of the form to compute the tax on such income.

**H. Election to treat real property income as effectively connected income.**—A foreign corporation having income from real property located in the U.S., or from any interest in such real property, including (1) gains from the sale or exchange of real property or interest in real property, (2) rents or royalties from mines, wells, or other natural deposits, and (3) gains described in section 631(b) or (c), may elect to treat the income as being effectively connected with the conduct of a trade or business within the U.S. (See section 882(d).)

The election may be made by attaching to the return for the year to which the election is to apply (1) a statement to the effect that the election is being

made, (2) a complete schedule of all real property, or any interest in real property, of which the taxpayer is titular or beneficial owner, which is located in the U.S., (3) a statement indicating the extent to which the taxpayer has direct or beneficial ownership in each item of real property, or interest in real property, (4) the legal identification and location of the real property or interest in the real property, (5) a description of any substantial improvements on the property, and (6) any other information required by regulations.

If you make this election, complete Section II to compute the tax on such income.

**I. Deductions and credits.**—No deductions are allowed against income that is not effectively connected with the conduct of a trade or business within the U.S. because the 30% or lower treaty rate is imposed upon the gross amount of such income.

**J. Source of income.**—Gross income of a foreign corporation includes only (1) gross income that is derived from sources within the U.S. and that is not effectively connected with the conduct of a trade or business within the U.S. and (2) gross income (regardless of source) that is effectively connected with the conduct of a trade or business within the U.S.

Except as otherwise provided by tax convention, determine the source of income under sections 861 through 864 and the regulations thereunder.

**K. Trade or business within the U.S.**—A foreign corporation that is a member of a partnership or is a beneficiary of an estate or trust will be considered to be engaged in a trade or business within the U.S. if the partnership, estate, or trust is so engaged.

Under some circumstances, the term "trade or business within the U.S." does not include the trading of stocks, securities, or commodities through a resident broker, commission agent, custodian, or other independent agent. Special rules apply when the corporation is trading for its own account.

For details concerning trading in stocks, securities, or commodities, see section 864(b)(2).

**L. Period to be covered by the 1976 return.**—File the 1976 return for calendar year 1976 and fiscal years beginning in 1976 and ending in 1977. If the return is for a fiscal year, fill in the taxable year space on the form.

**Final return.**—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**Amended return.**—Correct any error in a previously filed income tax return by filing an amended Form 1120F.

**Change in accounting period.**—To change your accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period. If you change your accounting period, you must file an income tax return for the short period (the period between the close of the old period and the beginning of the new). See section 443(b) for the computation of tax.

**M. Personal holding companies.**—A foreign corporation that is a personal holding company as defined in section 542, but not a foreign personal holding company as defined in section 552, is subject to the tax imposed by section 541. Section 541 imposes a tax upon undistributed personal holding company income (as defined in section 545) of personal holding companies. Every foreign corporation that is a personal holding company under section 542 must file a Schedule PH (Form 1120) with its Form 1120F. See Schedule PH (Form 1120) before completing Schedule J, Form 1120F.

**N. Foreign personal holding companies.**—Section 551(a) requires that the undistributed foreign personal holding company income of a foreign personal holding company, as defined in section 552, must be included as a dividend in the gross income of its U.S. shareholders in the amount provided by section 551(b). Schedule PH (Form 1120) is not required, but Forms 957 and 958 must be filed by certain officers, directors, or U.S. shareholders. (Section 6035 and regulations thereunder.)

**O. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If the person who prepares the return for pay is not an employee of a firm, corporation or another individual, then that person must sign the return as preparer and enter his or her social security number and address.

If the person who prepares the return for pay is an employee of a firm, corporation or another individual, then that person must sign the return and enter the employer's name, identification number, and address.

If prepared by the taxpayer's regular, full-time employee, such as a clerk, secretary, or bookkeeper, the employee does not have to sign.

**P. Claim for refund.**—If a foreign corporation has only income that is not effectively connected with the conduct of a trade or business within

the U.S. and this form is being used as a claim for refund, include all income from sources within the U.S., even though the tax on it has been fully satisfied at the source. If the refund results from the withholding of tax at the source, a statement must be attached to the claim for refund declaring that the person making the claim is the beneficial owner of the income and showing (1) the amounts of tax withheld, with the names and post office addresses of withholding agents, (2) the name in which the tax was withheld if other than that of the taxpayer, and, if applicable, (3) facts sufficient to show that, at the time the income was derived, the taxpayer was entitled to the benefit of a reduced rate of, or exemption from, tax with respect to that income under the provisions of an income tax convention to which the United States is a party.

**Q. Tax treaties.**—Section 881 imposes a tax of 30% on U.S. source income described in that section. However, if you are a corporation created under the laws of any country that has a treaty to which the U.S. is a party, refer to the applicable income tax convention to determine if you are entitled to an exemption from, or reduced rates of, U.S. income tax.

If the gross income of a foreign corporation includes income, the tax on which is limited by a tax convention, a statement must be attached to the return showing with respect to that income:

- (a) the amounts of tax withheld,
- (b) the names and post office addresses of withholding agents, and
- (c) information sufficient to show the taxpayer's entitlement to the reduced rate of tax under the tax convention.

For purposes of applying an exemption from, or a reduction of, any U.S. tax provided by any treaty with respect to income not effectively connected with the conduct of a trade or business within the U.S., a foreign corporation will be deemed not to have a permanent establishment in the U.S. at any time during the taxable year. (See section 894(b).)

For additional information about tax conventions, contact the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

**R. Accounting methods.**—Taxable income must be computed using the method of accounting regularly used in maintaining the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, a taxpayer may not change the method of accounting used to report income in prior years (for income as a whole or

for any material item) without first securing consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—Money items may be shown as whole-dollar amounts by dropping any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

**S. Estimated tax.**—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

Form 1120-W may be used as a worksheet to compute estimated tax.

If you overpaid estimated tax, you may apply on Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of your expected income tax liability AND (2) at least \$500.

This application for a quick refund must be made within 2½ months after the end of the taxable year and before you file your tax return.

**T. Information returns.**—Various forms 1099 must be filed to report certain dividends, interest income, payments for medical and health care, miscellaneous income (e.g., rents; royalties; and commissions; fees; prizes, awards, etc. to nonemployees), original issue discount, patronage dividends, and lump-sum distributions from profit-sharing and retirement plans. See Form 1096 and instructions for details.

Form 1096 must be filed to summarize and transmit information returns. Form 5452 must be filed by corporations paying non-taxable dividends.

**U. Consolidated returns.**—Except for certain subsidiary corporations organized under the laws of Canada or Mexico and maintained solely for the purpose of complying with the laws of such country as to title and operation of property, a foreign corporation may not be included as a member of an affiliated group of corporations for purposes of filing a consolidated return.

**V. Financial statements.**—Financial statements are to be completed in accordance with the method of accounting used in computing taxable income on page 3 of this return. Any differences must be reconciled. Copies of balance sheets required by Federal, State, etc., authorities may be used in place of Schedule L.

Certificates of deposit should be included as cash in line 1 of the balance sheet.

You may elect to limit the balance sheets and reconciliation of income per books with income per return to:

- (1) the corporation's assets located in the U.S. and its other assets used in

the trade or business conducted in the U.S. and

- (2) its income effectively connected with the conduct of a trade or business in the U.S. and its other income from sources within the U.S.

Banks, insurance companies, and other corporations required to submit substantially similar statements of income and expense to any Federal, State, etc., authority may submit copies of such statements in place of the information required on lines 1 through 30, page 3. In such cases, taxable income must be reconciled in Schedule M-1 with the net profit shown on the statement and entered as line 30, page 3.

**W. Attachments.**—You may use attachments if the lines on the form schedules are not sufficient. They must contain all the required information; must follow the format of the official schedules; and must be attached to the return in the same sequence as the schedules appear on the official form.

If an attachment is used in place of a schedule having a summary line on page 3, the total need not be entered on the schedule but must be entered on page 3.

Enter your name and identifying number on all attachments.

**X. Minimum tax.**—More corporations will be liable for the minimum tax this year because the new law added new tax preference items, increased the minimum tax rate from 10 percent to 15 percent, and reduced the minimum tax exemption from \$30,000 plus the regular income taxes for the year, to the greater of \$10,000 or the regular income taxes for the year.

The new tax preference items are (1) excess itemized deductions (generally the amount by which your itemized deductions as adjusted exceed 60 percent of your adjusted gross income) and (2) excess intangible drilling and development costs paid or incurred in connection with certain oil and gas wells (applies only to personal holding companies).

Other tax preference items are accelerated depreciation on real property and leased personal property; amortization of certified pollution control facilities; railroad rolling stock, on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

You must attach Form 4626 if you have items of tax preference of more than \$10,000, even if there is no minimum tax OR if you have any minimum tax liability deferred from a prior taxable year until this year.

**Y. Transfers to corporation controlled by transferor.**—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by section 1.351-3 of the regulations.

#### Z. Penalties.

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate established pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate established pursuant to section 6621.

If you underpaid estimated tax and believe a penalty charge should not be assessed, attach Form 2220.

**Reporting international boycott operations.**—Any corporation, or a member of a controlled group which includes that corporation, which has operations in, or related to, a country (or with the government, a company, or a national of a country) which requires participation in or cooperation with an international boycott as a condition of doing business within such country or with the government, company, or national of such country, may be required to file Form 5713 (section 999(e)).

Further, if that corporation or member participates in or cooperates with an international boycott (as defined in section 999(b)(3)) during the taxable year, a portion of the foreign tax credit will be denied. Any corporation subject to the reporting requirements of section 999(a), as outlined above, is required to file Form 5713 in duplicate. The original copy is to be filed with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155. The duplicate copy of Form 5713 is to be attached to the corporation's income tax return.

### Specific Instructions for Section II

(Numbered to correspond with the line numbers on page 3 of the return.)

#### Gross Income

Enter in lines 1 through 10 gross income (regardless of source) which is effectively connected with the conduct of a trade or business within the U.S.

1. **Gross receipts.**—Enter gross receipts or sales from all business operations except those required to be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see section 1.451-5 of the regulations.

If you use the installment method of reporting, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on amount collected.

2. **Cost of goods sold.**—The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115.

Full absorption method of inventory costing.—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. Those using other methods must change to this method under which both direct and certain indirect production costs are included for inventory value purposes. The change to full absorption may be made by filing Form 3115. For further details, see Rev. Proc. 75-40, 1975-2 C.B. 571, and section 1.471-11 of the regulations.

**Cost of operations (where inventories are not an income-determining factor).**—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

4. **Dividends.**—(Numbered to correspond with line numbers in Schedule C.)

(1) Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends-received deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends.

(2) Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

(3) Enter dividends received from foreign corporations that qualify for the 85% deduction provided in section 245(a).

(5) If the corporation claims the foreign tax credit, the amount of tax deemed paid under section 902(a)(1) (relating to credit for corporate stockholder in foreign corporation) must be treated as a dividend received from the foreign corporation. (See section 906(b)(4).)

(6) Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% dividends-received deduction. (See sections 246(d), 995(b), and 996(a)(3).)

(7) Include dividends (other than capital gain dividends and exempt interest dividends) received from regulated investment companies that do not qualify for the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust that, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856-858; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

6. Other interest.—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

7. Gross rents.—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation on the proper lines for deductions.

9(a). Net capital gains.—Every sale or exchange of a capital asset must be reported in detail in Schedule D (Form 1120) even though no gain or loss is indicated.

If the net long-term capital gain exceeds the net short-term capital loss, or in case of only a net long-term capital gain, compute the alternative tax on separate Schedule D to see if it produces a lesser tax.

9(b). Ordinary gain or (loss).—Enter the total ordinary gain or loss from line 9, Part II, Form 4797.

10. Other income.—The attached schedule should include recoveries of bad debts deducted in prior years under the specific charge-off method.

Refunds of tax deducted in prior years should be reported here and not offset against current year's tax.

If "other income" consists of only one item, you may identify it by showing the account caption in parentheses on line 10.

#### Deductions

In computing the taxable income of a foreign corporation engaged in a trade or business within the U.S., deductions are allowed only to the extent that they are connected with income that is effectively connected with the conduct of a trade or business within the U.S. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c)(1) for allocation of deductions.

12. Compensation of officers.—Complete columns 1 through 7, Schedule E, for all officers. Complete column 8, Schedule E, for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 8 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

14. Repairs.—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property. Include on this line the total amount of repairs from Form 4832.

15. Bad debts.—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Application to change the method of computing bad debts must be made on Form 3115.

17. Taxes.—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax.

Do not include Federal income tax; foreign or U.S. possession income tax if a foreign tax credit is claimed; or taxes not imposed upon the corporation.

See section 164(d) for apportionment of tax on real property between seller and purchaser.

Section 906(b)(1) provides that certain foreign taxes imposed on income

from U.S. sources may not be taken as a deduction.

18. Interest.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest on transactions between related taxpayers.

Generally, a cash basis taxpayer, who in 1976 prepaid interest allocable to any period after 1976, can only deduct the amount allocable to 1976. However, if prepayment is required by a binding contract or written loan commitment that existed on September 16, 1975 (and at all times thereafter), such prepaid interest is deductible if paid in 1976, if the deduction of such interest would not materially distort income. See section 461(g).

19. Contributions.—Enter contributions or gifts actually paid within the taxable year to, or for the use of, charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 30) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 29(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the taxable year under section 172, and (5) any capital loss carryback to the taxable year under section 1212(a)(1).

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the close of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is in-

cluded, show the amount and how the carryover was determined.

Special rule for contributions of certain property.—In the case of a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income, short-term capital gain and
- (2) for certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) the contributions of any property to or for the use of certain private foundations. (Section 170(e).) For special rules regarding the contribution of inventory, and other ordinary income property (described in section 1221(1) or (2)) made after October 4, 1976, to a public charity or private operating foundation for exempt purpose use in the care of the ill, needy, or children, see section 170(e)(3).

Bargain sale to a charitable organization.—If you claim a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

20. Amortization.—If you claim a deduction for amortization, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months.

Also, see section 188 for conditions under which certain expenditures for on-the-job training and child care facilities may be amortized over 60 months.

21. Depreciation.—Complete Schedule G if a deduction is claimed for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

Salvage value.—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class

Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. In no event may property be depreciated below a reasonable salvage value after making the salvage value reduction.

Tangible property other than real property.—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible personal property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

New section 1250 property.—The double declining balance and sum of the years-digits methods may be used only for (1) new residential rental property (from which at least 80% of the gross rental income is derived from rental of residential units), and (2) new real property placed in service after July 24, 1969, if construction, acquisition, or permanent financing arrangements were entered into before July 25, 1969. Other new real property may be depreciated under the straight line or 150% declining balance methods.

Used section 1250 property.—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated only under the straight line method.

Rehabilitation expenditures for low-income rental housing.—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation.

Section 179—Additional first-year depreciation.—For the first year a depreciation deduction is allowable, corporations may elect to write off 20% of the cost (before adjustment for salvage value) of new or used tangible personal property with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

Enter total additional first-year depreciation on line 1 of the depreciation schedule.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing ordinary depreciation.

22. Depletion.—See sections 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

24. Pension, profit-sharing, etc. plans.—Complete Form 5500 for each of your plans and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for the above Forms for computation of the allowable deductions. File these Forms on or before the last day of the 7th month following the close of your taxable year.

25. Employee benefit programs.—Enter the amount of your contributions to employee benefit programs (e.g. insurance, health and welfare programs), that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

26. Other deductions.—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income, including income exempt by tax convention. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, shall be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each class. Show separately the amount allocated by apportionment.

29(a). Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172(a).)

Generally, a net operating loss may be carried back to each of the 3 years preceding the year of such loss and carried over to each of the 7 years following the year of such loss; or, an election may be made whereby a net operating loss may be carried over to each of the 7 years following the year of such loss (the election is made by attaching a statement to a timely filed return, including extensions, and is irrevocable). After applying the net operating loss to the first taxable year to which it may be

carried, the portion of the loss to be carried to each of the remaining taxable years is the excess, if any, of the amount of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried. (Section 172(b).)

The term "net operating loss" means the excess of allowable deductions over gross income, computed with the following modifications under section 172(d):

(1) No net operating loss deduction is allowed.

(2) The special deductions in line 1 of Schedule I are computed without regard to the 85% limitation provided in section 246(b). See section 1.172-2 of the regulations.

(3) The special deduction allowed by section 247 (dividends paid on certain preferred stock of public utilities) is computed without regard to section 247(a)(1)(B).

In determining the taxable income that must be subtracted from a net operating loss to determine the portion of such loss that will still be available to carry to a later year, the net operating loss deduction is determined without regard to the net operating loss for the loss year or any taxable year thereafter and, under certain circumstances, without regard to any portion of a net operating loss attributable to a foreign corporation loss.

If you have a net operating loss carryback and want a "quick refund" of tax, file Form 1139 within 12 months after the close of the taxable year in which the net operating loss occurred. (Section 6411.)

If a net operating loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the 3 preceding years (however, the WIN credit cannot be carried back to years beginning before 1972), and, under the provisions of section 6411, a quick refund of the taxes affected may be obtained by filing Form 1139.

29(b). Special deductions.—See instructions for Schedule I.

#### Schedule I—Special Deductions

(Numbered to correspond with line numbers in Schedule I)

1. Exclusion of certain dividends.—In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of before the corporation has held it 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or other securities.

No dividends-received deduction is allowed under section 243 for a dividend from a DISC or former DISC (as

defined in section 992(a)) to the extent the dividend is paid out of the corporation's accumulated DISC income, previously taxed income, or is a deemed distribution under section 995(b)(1).

2. Limitation on dividends-received deduction.—Line 2 may not exceed 85% of line 28, page 3. For this purpose, line 28, page 3, is to be computed without regard to any capital loss carryback to the taxable year under section 1212(a)(1).

In a year in which a net operating loss occurs, sections 172(d) and 246(b) provide that this 85% limitation does not apply even if the loss is created by the dividends-received deduction.

3. Deduction for dividends paid on certain preferred stock of public utilities.—Section 247 allows public utilities a deduction of 29.167% of the lesser of (1) dividends paid on their preferred stock during the taxable year, or (2) taxable income computed without regard to this deduction. In a year in which a net operating loss occurs, section 172(d) provides that the deduction shall be computed without regard to section 247(a)(1)(B).

#### Schedule J—Tax Computation

1. Surtax exemption and tax rates.—In general, corporations are entitled to a surtax exemption of \$50,000. However, members of a controlled group are entitled to one \$50,000 surtax exemption which is to be divided equally unless the group consents to split up the exemption in accordance with an apportionment plan.

The tax rates for 1976 are 20% of the first \$25,000 of taxable income; 22% of the next \$25,000; and 48% of taxable income in excess of \$50,000.

Members of a controlled group under section 1561.—For members of a controlled group, the \$50,000 surtax exemption is to be divided equally unless the group consents to split up the exemption in accordance with an apportionment plan. Accordingly, for purposes of lines 2 and 4, members of a controlled group will enter one-half of their surtax exemption on line 2 and the remaining one-half on line 4. See section 1561 and the regulations thereunder for the time and manner of making the consent.

2. Foreign tax credit.—A foreign corporation engaged in a trade or business within the U.S. is allowed a credit under section 901 for income, war profits, and excess profits tax paid (or deemed paid under section 902) or accrued during the taxable year to any foreign country or U.S. possession with respect to income effectively connected with the conduct of a trade or business within the U.S. In general, effective for taxable years beginning

after December 31, 1975, the per country limitation cannot be used in computing the foreign tax credit. For further details and exceptions, see section 906 and Form 1118.

3. Investment credit.—In most cases, the investment credit rate is 10 percent for property acquired and placed in service during the taxable year. Corporations may elect an 11 percent credit for such property if one percent of the qualified investment is contributed to an employee stock ownership plan. Complete Form 5500 for each employee stock ownership plan and file it on or before the last day of the 7th month following the close of your taxable year.

The limit on the amount of used property eligible for the investment credit is \$100,000.

The investment credit also applies to qualified progress expenditure payments made during the construction of property that requires at least two years to construct and that has an expected useful life of at least seven years.

See Form 3468 for special rules and limitations.

4. Tax from recomputing a prior year investment credit.—If property is disposed of prior to the life-years category used in computing the investment credit, the investment credit must be recomputed using as the useful life the period the property was actually held. (For recomputations of the investment credit for qualified progress expenditures, see section 47(a)(3).) If the credit taken (including carrybacks and carryovers) exceeds the recomputed credit, the tax for the year of disposition must be increased by the excess. Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

5. Credit for wages paid or incurred in a work incentive (WIN) program.—Employers may claim a credit of 20% of the salaries and wages paid or incurred for employees hired under a WIN program.

For special rules and limitations, see Form 4874 and sections 50A and 50B.

6. Tax from recomputing a prior year WIN credit.—If a WIN program employee is dismissed before completing a certain period of employment, the WIN credit previously taken on such employee may be subject to recapture. (See Form 4874.)

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

7

#### Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 3, under M, the code number for the specific industry group from which the largest per-

centage of "total receipts" is derived. "Total receipts" means gross receipts (line 1, page 3) plus all other income (lines 4 through 10, page 3). On page 3, under M, state the principal business activity and principal product or service that accounts for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

#### AGRICULTURE, FORESTRY, AND FISHING

Code 0400 Agricultural production.  
0600 Agricultural services, forestry, fishing, hunting, and trapping.

#### MINING

Metal mining:  
1010 Iron ores.  
1070 Copper, lead and zinc, gold and silver ores.  
1098 Other metal mining.  
1150 Coal mining.  
Oil and gas extraction:  
1330 Crude petroleum, natural gas, and natural gas liquids.  
1380 Oil and gas field services.  
Nonmetallic minerals (except fuels) mining:  
1430 Dimension, crushed and broken stone; sand and gravel.  
1498 Other nonmetallic minerals, except fuels.

#### CONSTRUCTION

General building contractors and operative builders:  
1510 General building contractors.  
1531 Operative builders.  
1600 Heavy construction contractors.  
Special trade contractors:  
1711 Plumbing, heating, and air conditioning.  
1731 Electrical work.  
1798 Other special trade contractors.

#### MANUFACTURING

Food and kindred products:  
2010 Meat products.  
2020 Dairy products.  
2030 Preserved fruits and vegetables.  
2050 Grain mill products.  
2090 Bakery products.  
2060 Sugar and confectionery products.  
2081 Malt liquors and malt.  
2088 Alcoholic beverages, except malt liquors and malt.  
2089 Bottled soft drinks, and flavorings.  
2096 Other food and kindred products.  
2100 Tobacco manufactures.  
Textile mill products:  
2228 Weaving mills and textile finishing.  
2250 Knitting mills.  
2298 Other textile mill products.  
Apparel and other textile products:  
2315 Men's and boys' clothing.  
2345 Women's and children's clothing.  
2388 Hats, caps, millinery, fur goods, and other apparel and accessories.  
2390 Misc. fabricated textile products.  
Lumber and wood products, except furniture:  
2415 Logging camps and logging contractors; sawmills and planing mills.  
2430 Millwork, plywood, and related products.  
2498 Other wood products, including wood buildings and mobile homes.  
2500 Furniture and fixtures.  
Paper and allied products:  
2625 Pulp, paper, and board mills.  
2699 Other paper products.  
Printing, publishing and allied industries:  
2710 Newspapers.  
2720 Periodicals.  
2735 Books, greeting cards, and misc. publishing.  
2799 Commercial and other printing, and printing trade services.  
Chemicals and allied products:  
2810 Chemicals and allied products.  
2830 Drugs.  
2840 Soap, cleaners, and toilet goods.  
2850 Paints and allied products.  
2898 Agricultural and other chemical products.  
Petroleum refining and related industries (including those integrated with extraction):  
2910 Petroleum refining (including those integrated with extraction).  
2990 Other petroleum and coal products.  
Rubber and plastic products:  
3050 Rubber products; plastics footwear, hose and belting.  
3070 Misc. plastics products.  
Leather and leather products:  
3140 Footwear, except rubber.  
3198 Other leather and leather products.

Code 3225 Glass products.  
3240 Cement, hydraulic.  
3270 Concrete, gypsum, and plaster products.  
3298 Other nonmetallic mineral products.

#### Primary metal industries:

3370 Ferrous metal industries; misc. primary metal products.  
3380 Nonferrous metal industries.  
Fabricated metal products, except machinery and transportation equipment:  
3410 Metal cans and shipping containers.  
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.

3430 Plumbing and heating, except electric and warm air.  
3440 Fabricated structural metal products.  
3460 Metal forgings and stampings.  
3470 Coating, engraving, and allied services.  
3480 Ordnance and accessories, except vehicles and guided missiles.  
3490 Misc. fabricated metal products.

Machinery, except electrical:  
3520 Farm machinery.  
3530 Construction, mining, and materials handling machinery and equipment.  
3540 Metalworking machinery.  
3550 Special industry machinery, except metalworking machinery.  
3560 General industrial machinery.  
3570 Office, computing, and accounting machines.

3598 Engines and turbines, service industry machinery, and other machinery, except electrical.  
Electrical and electronic machinery, equipment, and supplies:  
3630 Household appliances.  
3665 Radio, television, and communication equipment.  
3670 Electronic components and accessories.  
3698 Other electric equipment.

Transportation equipment:  
3710 Motor vehicles and equipment.  
3725 Aircraft, guided missiles and parts.  
3730 Ship and boat building and repairing.  
3798 Other transportation equipment.

Measuring and controlling instruments: photographic and medical goods, watches and clocks.  
3815 Scientific instruments and measuring devices, watches and clocks.  
3845 Optical, medical, and ophthalmic goods.  
3860 Photographic equipment and supplies.  
3998 Other manufacturing products.

#### TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES

Transportation:  
4000 Railroad transportation.  
4100 Local and interurban passenger transit.  
4200 Trucking and warehousing.  
4400 Water transportation.  
4500 Transportation by air.  
4600 Pipe lines, except natural gas.  
4700 Other transportation services.

Communication:  
4825 Telephone, telegraph, and other communication services.  
4830 Radio and television broadcasting.

Electric, gas, and sanitary services:  
4910 Electric services.  
4920 Gas production and distribution.  
4930 Combination utility services.  
4990 Water supply and other sanitary services.

#### WHOLESALE TRADE

Durable:  
5008 Machinery, equipment, and supplies.  
5010 Motor vehicles and automotive equipment.  
5030 Lumber and construction materials.  
5050 Metals and minerals, except petroleum and scrap.

5060 Electric goods.  
5070 Hardware, plumbing and heating equipment.  
5098 Other durable goods.

Non-durable:  
5110 Paper and paper products.  
5128 Drugs, chemicals, and allied products.  
5130 Apparel, piece goods, and notions.  
5140 Groceries and related products.

Code 5150 Farm-product raw materials.  
5170 Petroleum and petroleum products.  
5180 Alcoholic beverages.  
5190 Misc. nondurable goods.

#### RETAIL TRADE

Building materials, hardware, garden supply, and mobile home dealers:  
5220 Building materials dealers.  
5251 Hardware stores.  
5265 Garden supplies and mobile home dealers.  
5300 General merchandise stores.  
5400 Food stores.

Automotive dealers and service stations:  
5515 Motor vehicle dealers.  
5541 Gasoline service stations.  
5598 Other automotive dealers.  
5600 Apparel and accessory stores.  
5700 Furniture and home furnishings stores.  
5800 Eating and drinking places.

Misc. retail stores:  
5912 Drug stores and proprietary stores.  
5921 Liquor stores.  
5995 Other misc. retail stores.

#### FINANCE, INSURANCE, AND REAL ESTATE

Banking:  
6030 Mutual savings banks.  
6050 Credit holding companies.  
6090 Banks, except mutual savings banks and bank holding companies.  
Credit agencies other than banks:  
6120 Savings and loan associations.  
6140 Personal credit institutions.  
6150 Business credit institutions.  
6199 Other credit agencies.

Security, commodity brokers, dealers, exchanges, and services:  
6210 Security brokers, dealers, and flotation companies.  
6299 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.

Insurance:  
6355 Life insurance.  
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.

6399 Other insurance companies.  
6411 Insurance agents, brokers, and services.

Real estate:  
6511 Real estate operators (except developers) and lessors of buildings.  
6516 Lessors of mining, oil, and similar property.

6518 Lessors of railroad property and other real property.  
6530 Condominium management and cooperative housing associations.  
6550 Subdividers and developers.  
6599 Other real estate.

Holding and other investment companies:  
6742 Regulated investment companies.  
6743 Real estate investment trusts.  
6744 Small business investment companies.  
6749 Holding and other investment companies.

#### SERVICES

7000 Hotels and other lodging places;  
7200 Personal services.  
Business services:  
7310 Advertising.  
7389 Business services, except advertising.

Auto repair and services; misc. repair services:  
7400 Auto repair and services.  
7600 Misc. repair services.

Amusement and recreational services:  
7812 Motion picture production, distribution, and services.  
7830 Motion picture theaters.

7900 Amusement and recreation services, except motion pictures.  
Other services:  
8015 Office of physicians, including osteopathic physicians.  
8021 Office of dentists.  
8050 Nursing and personal care facilities.  
8071 Medical laboratories.

8099 Other medical services.  
8111 Legal services.  
8200 Educational services.  
8621 Political organizations.  
8799 Misc. services.

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8

U.S. Life Insurance Company  
Income Tax ReturnFOR CALENDAR YEAR  
1976

Please type or print

Name \_\_\_\_\_

Number and street \_\_\_\_\_

City or town, State, and ZIP code \_\_\_\_\_

A Employer identification number \_\_\_\_\_

B Date and place incorporated \_\_\_\_\_

C Check if a—

☐ Legal reserve company—If so, check

Type of company— ☐ Stock ☐ Mutual

Principal business— ☐ Life insurance

☐ Health and accident insurance

☐ Fraternal or assessment association

☐ Burial or other insurance company

D Do you have any variable annuity contracts outstanding? ☐ Yes ☐ No

E Do you have any segregated asset accounts? ☐ Yes ☐ No

If "Yes," see instruction P.

F Were you a member of a controlled group subject to the provisions of Section 1561? ☐ Yes ☐ No

If answer was "Yes," check type of relationship:

(a) Parent-subsidiary ☐

(b) Brother-sister ☐

(c) Combination of (a) and (b) ☐

(See section 1563)

G Amount of total insurance liabilities. (See instruction O.) \_\_\_\_\_

H Enter the percentage that the total of your life insurance reserves (sec. 801 (b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancellable life, health or accident policies not included in life insurance reserves is to your total reserves (sec. 801(c)). Attach schedule. \_\_\_\_\_

TAXABLE INCOME

1 (a) Taxable investment income (Schedule C) \_\_\_\_\_ 1(a)

(b) Gain from operations (Schedule E) (If a loss, enter zero) \_\_\_\_\_ 1(b)

(c) The smaller of (a) or (b) \_\_\_\_\_ 1(c)

2 50% of any excess of 1(b) over 1(a) \_\_\_\_\_

3 Amount subtracted from policyholders' surplus account (line 5, Schedule G) \_\_\_\_\_

4 Life insurance company taxable income (total of lines 1(c), 2, and 3) \_\_\_\_\_

TAX COMPUTATION

5 Enter line 4 or \$25,000, whichever is lesser (members of a controlled group, see instructions) \_\_\_\_\_

6 Line 4 less line 5 \_\_\_\_\_

7 Enter line 6 or \$25,000, whichever is lesser (members of a controlled group, see instructions) \_\_\_\_\_

8 Line 6 less line 7 \_\_\_\_\_

9 20% of line 5 \_\_\_\_\_

10 22% of line 7 \_\_\_\_\_

11 48% of line 8 \_\_\_\_\_

12 Total of lines 9, 10, and 11 \_\_\_\_\_

13 Income tax—the lesser of line 12 (above) or line 26 of Schedule D (Form 1120L) \_\_\_\_\_

14 Less: (a) Foreign tax credit (attach Form 1118) \_\_\_\_\_ 14(a)

(b) Investment credit (attach Form 3468) \_\_\_\_\_ 14(b)

(c) Work incentive (WIN) credit (attach Form 4874) \_\_\_\_\_ 14(c)

15 Total of lines 14(a), (b), and (c) \_\_\_\_\_

16 Balance of tax (line 13 less line 15) \_\_\_\_\_

17 Foreign corporations—tax on income not connected with U.S. business (see Tax Computation Instructions) \_\_\_\_\_

18 Tax from recomputing a prior year investment credit (attach Form 4255) \_\_\_\_\_

19 Tax from recomputing a prior year WIN credit (see instructions—attach computation) \_\_\_\_\_

20 Minimum tax on tax preference items (see instructions—attach Form 4626) \_\_\_\_\_

21 Total tax (add lines 16 through 20) \_\_\_\_\_

TAX

22 Credits: (a) Overpayment from 1975 allowed as a credit \_\_\_\_\_ 22(a)

(b) 1976 estimated tax payments \_\_\_\_\_ 22(b)

(c) Less refund of 1976 estimated tax applied for on Form 4466 \_\_\_\_\_ 22(c)

(d) Tax deposited with Form 7004 (attach copy) \_\_\_\_\_ 22(d)

(e) Tax deposited with Form 7005 (attach copy) \_\_\_\_\_ 22(e)

(f) Credit from regulated investment companies (attach Form 2439) \_\_\_\_\_ 22(f)

(g) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136) \_\_\_\_\_ 22(g)

(h) U.S. income tax paid or withheld at source \_\_\_\_\_ 22(h)

23 TAX DUE (line 21 less line 22). See instruction F for depositary method of payment \_\_\_\_\_

24 OVERPAYMENT (line 22 less line 21) \_\_\_\_\_

25 Enter amount of line 24 you want: Credited to 1977 estimated tax \_\_\_\_\_ Refunded \_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Date \_\_\_\_\_ Signature of officer \_\_\_\_\_ Title \_\_\_\_\_

Preparer's signature (and employer's name, if any) \_\_\_\_\_ Identifying number (see instructions) \_\_\_\_\_ Address and ZIP Code \_\_\_\_\_

## Schedule A INVESTMENT YIELD (See instructions)

GROSS INVESTMENT INCOME

1 Interest:

(a) Wholly exempt obligations (attach schedule) \_\_\_\_\_

(b) U.S. obligations and U.S. instrumentalities \_\_\_\_\_

(c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc. \_\_\_\_\_

(d) Totals \_\_\_\_\_

2 Dividends (see instructions):

(a) Domestic corporations subject to 85% deduction \_\_\_\_\_

(b) Certain preferred stock of public utilities \_\_\_\_\_

(c) Foreign corporations subject to 85% deduction \_\_\_\_\_

(d) Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3)) \_\_\_\_\_

(e) Qualifying dividends received from affiliated groups and subject to the provisions of section 1564(b) \_\_\_\_\_

(f) Other (attach schedule) \_\_\_\_\_

3 Gross rents (attach schedule) \_\_\_\_\_

4 Gross royalties (attach schedule) \_\_\_\_\_

5 Leases, terminations, etc. \_\_\_\_\_

6 Net short-term capital gain reduced by any net long-term capital loss (line 10, Schedule D (Form 1120L)) \_\_\_\_\_

7 Gross income from trade or business other than insurance business (attach schedule) \_\_\_\_\_

8 GROSS INVESTMENT INCOME (add lines 1(d) through 7) \_\_\_\_\_

DEDUCTIONS

9 Investment expenses (attach schedule) (see Schedule H) \_\_\_\_\_

10 Real estate expenses (attach schedule) \_\_\_\_\_

11 Depreciation (Schedule K) \_\_\_\_\_

12 Depletion (attach schedule) \_\_\_\_\_

13 Trade or business deductions as provided in section 804(c)(5) (attach schedule) \_\_\_\_\_

14 Total deductions (add lines 9 through 13) \_\_\_\_\_

15 INVESTMENT YIELD (line 8 less line 14) \_\_\_\_\_

## Schedule B PART I—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 805(a)) (See instructions)

1 Adjusted life insurance reserves (from Part VII) \_\_\_\_\_

2 Multiplied by the adjusted reserves rate (lesser of lines 1 or 7, Part III) \_\_\_\_\_ %

3 Pension plan reserves (line 5, column 7, Part V) \_\_\_\_\_

4 Multiplied by the current earnings rate (line 1, Part III) \_\_\_\_\_ %

5 Interest paid (from Part VII) \_\_\_\_\_

6 Policy and other contract liability requirements (add lines 2, 4 and 5) \_\_\_\_\_

## PART II—ASSETS (Section 805(b)(4))

|  | 1. Beginning of taxable year | 2. End of taxable year | 3. Mean of column 1 and column 2 * |
|--|------------------------------|------------------------|------------------------------------|
| 1 Real estate                                    |                              |                        |                                    |
| 2 Mortgages: (a) Without service fees            |                              |                        |                                    |
| (b) With service fees                            |                              |                        |                                    |
| 3 Collateral loans                               |                              |                        |                                    |
| 4 Policy loans, including premium notes          |                              |                        |                                    |
| 5 Corporate bonds                                |                              |                        |                                    |
| 6 Stocks   |                              |                        |                                    |
| 7 Government obligations, etc. (attach schedule) |                              |                        |                                    |
| 8 Bank deposits, cash, etc.                      |                              |                        |                                    |
| 9 Other assets (attach schedule)                 |                              |                        |                                    |
| 10 Totals  |                              |                        |                                    |

\*Adjusted under section 806(a) (see instructions—attach schedule)

## PART III—EARNINGS RATES (Section 805(b))

|  |   |
|--|---|
| 1 Current earnings rate (line 15, Schedule A, divided by line 10, column 3, Part II) | % |
| 2 Earnings rate for first preceding year (attach schedule)                           | % |
| 3 Earnings rate for second preceding year (attach schedule)                          | % |
| 4 Earnings rate for third preceding year (attach schedule)                           | % |
| 5 Earnings rate for fourth preceding year (attach schedule)                          | % |
| 6 Total (add lines 1 through 5)  | % |
| 7 Average earnings rate (see instructions)   | % |

**PART IV—AVERAGE INTEREST RATE ASSUMED (Section 805(c)(2))**

| 1. Nature of reserve (life, annuity, etc.)  | 2. Assumed morbidity or mortality table | 3. Assumed interest rate | 4. Method of computation (Illinois Standards, etc.) | 5. Amount of reserve at beginning of taxable year* | 6. Amount of reserve at end of taxable year* | 7. Mean of column 5 and 6** | 8. Column 3 times column 7 |
|---|---|--------------------------|---|--|--|-----------------------------|----------------------------|
| 1   |   |                          |   |  |  |                             |                            |
| 2   |   |                          |   |  |  |                             |                            |
| 3   |   |                          |   |  |  |                             |                            |
| 4   |   |                          |   |  |  |                             |                            |
| 5 Totals  |   |                          |   |  |  |                             |                            |
| Average rate of interest assumed in computing life insurance reserves (total of column 8 divided by total of column 7)  |   |                          |   |  |  |                             |                            |
| *See instructions for section 806(b) and section 818(c) adjustments. **Adjusted under section 806(a) (attach schedule). |   |                          |   |  |  |                             |                            |

**PART V—PENSION PLAN RESERVES (Section 805(d))**

|                                 |  |  |  |  |  |  |  |
|---------------------------------|--|--|--|--|--|--|--|
| 1 Section 805(d)(1)(A) reserves |  |  |  |  |  |  |  |
| 2 Section 805(d)(1)(B) reserves |  |  |  |  |  |  |  |
| 3 Section 805(d)(1)(C) reserves |  |  |  |  |  |  |  |
| 4 Section 805(d)(1)(D) reserves |  |  |  |  |  |  |  |
| 5 Totals                        |  |  |  |  |  |  |  |

**PART VI—ADJUSTED LIFE INSURANCE RESERVES (Section 805(c)(1))**

|   |  |  |  |  |  |      |   |
|---|--|--|--|--|--|------|---|
| 1 Mean of the reserves (column 7, line 5, Part IV)  |  |  |  |  |  |      |   |
| 2 (a)   |  |  |  |  |  | 100% |   |
| (b) Plus 10 times the average rate of interest assumed (line 6, Part IV)  |  |  |  |  |  |      |   |
| (c) Total (add lines 2(a) and 2(b))   |  |  |  |  |  |      |   |
| (d) 10 times the adjusted reserves rate (line 2, Part I)  |  |  |  |  |  |      |   |
| (e) Line (c) less line (d)  |  |  |  |  |  |      | % |
| 3 Adjusted life insurance reserves (line 1 multiplied by line 2(e)). Enter here and on line 1, Part I, Schedule B |  |  |  |  |  |      |   |

**PART VII—INTEREST PAID (Section 805(e))**

|   |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| 1 Interest on indebtedness  |  |  |  |  |  |  |  |
| 2 Amounts in the nature of interest   |  |  |  |  |  |  |  |
| 3 Discount on prepaid premiums  |  |  |  |  |  |  |  |
| 4 Interest on certain special contingency reserves  |  |  |  |  |  |  |  |
| 5 Total interest paid (add lines 1 through 4). Enter here and on line 5, Part I, Schedule B |  |  |  |  |  |  |  |

**Schedule C TAXABLE INVESTMENT INCOME (See instructions)**

|  |  |  |      |
|--|--|--|------|
| 1 Policyholder's share (section 804) (line 6, Part I, Schedule B, divided by line 15, Schedule A) but not to exceed 100% |  |  | %    |
| 2 Company's share  |  |  | %    |
| 3 Total  |  |  | 100% |

|   | 1. Total | 2. Exclusion—policyholder's share (line 1 times col. 1) | 3. Company's share (col. 1 less col. 2) |
|---|----------|---|---|
| 4 Interest wholly tax-exempt (line 1(a), col. 4, Schedule A—see instructions)     |          |   |   |
| 5 (a) Dividends from line 2(a), Schedule A  |          |   |   |
| (b) Dividends from line 2(b), Schedule A  |          |   |   |
| (c) Dividends from line 2(c), Schedule A  |          |   |   |
| (d) Dividends from line 2(d), Schedule A  |          |   |   |
| (e) Dividends from line 2(e), Schedule A  |          |   |   |
| (f) Dividends from line 2(f), Schedule A  |          |   |   |
| 6 Other items of investment yield (line 15, Schedule A, less lines 4 and 5 above) |          |   |   |
| 7 Net long-term capital gain (line 11, Schedule D (Form 1120L))                   |          |   |   |
| 8 Totals (add lines 4 through 7)  |          |   |   |

**REDUCTIONS**

|   |  |  |  |
|---|--|--|--|
| 9 Interest wholly tax-exempt (line 4, column 3)   |  |  |  |
| 10 Dividends-received deduction (affiliated groups—see instructions):   |  |  |  |
| (a) 85% of line 5(a), column 3  |  |  |  |
| (b) 60.208% of line 5(b), column 3  |  |  |  |
| (c) 85% of line 5(c), column 3  |  |  |  |
| (d) Total, but not to exceed 85% of taxable investment income (line 13) computed without regard to this deduction                 |  |  |  |
| 11 Small business deduction (10% of line 15, Schedule A, not to exceed \$25,000; members of a controlled group, see instructions) |  |  |  |
| 12 Total (add lines 9, 10(d), and 11)   |  |  |  |
| 13 Taxable investment income (line 8 less line 12, but not less than zero). Enter here and on line 1(a), page 1                   |  |  |  |

|   |  |  |      |
|---|--|--|------|
| 1 Policyholder's share (section 809) (line 6, Schedule E-1, divided by line 15, Schedule A), but not to exceed 100% |  |  | %    |
| 2 Company's share   |  |  | %    |
| 3 Total   |  |  | 100% |
| 4 Interest wholly tax-exempt (line 1(a), column 4, Schedule A—see instructions)                                     |  |  |      |
| 5 (a) Dividends from line 2(a), Schedule A  |  |  |      |
| (b) Dividends from line 2(b), Schedule A  |  |  |      |
| (c) Dividends from line 2(c), Schedule A  |  |  |      |
| (d) Dividends from line 2(d), Schedule A  |  |  |      |
| (e) Dividends from line 2(e), Schedule A  |  |  |      |
| (f) Dividends from line 2(f), Schedule A  |  |  |      |
| 6 Other items of investment yield (line 15, Schedule A less 4 and 5 above)  |  |  |      |
| 7 Totals (add lines 4 through 6)  |  |  |      |
| 8 Net long-term capital gain (line 11, Schedule D (Form 1120L))   |  |  |      |
| 9 Gross premiums  |  |  |      |
| Less: Return premiums, etc.   |  |  |      |
| 10 (a) Decrease in reserves (after adjustment under section 810(a)) (attach schedule)                               |  |  |      |
| (b) Decrease in section 811(b)(2) reserves (see line 3, Part II, Schedule E-2)                                      |  |  |      |
| 11 Other amounts (attach schedule). (Also include amount from line 30, Schedule D (Form 1120L))                     |  |  |      |
| 12 Total (add lines 7 through 11)   |  |  |      |

**DEDUCTIONS**

|   |  |  |  |
|---|--|--|--|
| 13 Death benefits, etc.   |  |  |  |
| 14 Increase in reserves (after reduction for investment yield under section 810(b)) (attach schedule) |  |  |  |
| 15 Assumption by another person of liabilities under insurance, etc., contracts                       |  |  |  |
| 16 Interest wholly tax-exempt (line 4, column 3)  |  |  |  |
| 17 Investment expenses, etc., not deducted on Schedule A (attach schedule)                            |  |  |  |
| 18 Small business deduction (line 11, Schedule C)   |  |  |  |
| 19 Other deductions not deducted on Schedule A (attach schedule)                                      |  |  |  |
| 20 Total (add lines 13 through 19)  |  |  |  |
| 21 Dividends-received deduction (affiliated groups, see instructions): (a) 85% of line 5(a), column 3 |  |  |  |
| (b) 60.208% of line 5(b), column 3  |  |  |  |
| (c) 85% of line 5(c), column 3  |  |  |  |
| (d) Total, but not to exceed 85% of any excess of line 12 over line 20                                |  |  |  |
| 22 Operations loss deduction (attach schedule)  |  |  |  |
| 23 Tentative deduction (add lines 20 through 22)  |  |  |  |
| 24 Plus: (a) Dividends to policyholders (line 7, Part I, Schedule E-2)                                |  |  |  |
| (b) Accident and health, and group life insurance (line 9, Part I, Schedule E-2)                      |  |  |  |
| (c) Certain nonparticipating contracts (line 11, Part I, Schedule E-2)                                |  |  |  |
| 25 Total deductions (line 23 plus line 24)  |  |  |  |
| 26 Gain or (loss) from operations (line 12 less line 25). Enter here and on line 1(b), page 1         |  |  |  |

**Schedule E-1 REQUIRED INTEREST (Section 809(a)(2))**

|   | 1. Rate | 2. Beginning of taxable year | 3. End of taxable year | 4. Mean of columns 2 and 3 | 5. Column 1 times column 4 |
|---|---------|------------------------------|------------------------|----------------------------|----------------------------|
| 1 Sec. 810(c)(1) reserves (from line 5, column 8, Parts IV and V, Schedule B) |         |                              |                        |                            |                            |
| 2 Sec. 810(c)(3) reserves   |         |                              |                        |                            |                            |
| 3 Sec. 810(c)(4) reserves   |         |                              |                        |                            |                            |
| 4 Sec. 810(c)(5) reserves   |         |                              |                        |                            |                            |
| 5 Sec. 810(c)(6) reserves   |         |                              |                        |                            |                            |
| 6 Required interest (add lines 1 through 5)                                   |         |                              |                        |                            |                            |

**Schedule E-2 PART I—LIMITATION ON DEDUCTION (LINE 24, SCHEDULE E) (Section 809(i))**

|  |  |  |         |
|--|--|--|---------|
| 1 Statutory amount   |  |  | 250,000 |
| 2 (a) Line 12, Schedule E  |  |  |         |
| (b) Less: Tentative deduction (line 23, Schedule E)  |  |  |         |
| 3 Gain from operations without regard to line 24, Schedule E (line 2(a) minus line 2(b))                         |  |  |         |
| 4 Less: Taxable investment income (line 13, Schedule C)  |  |  |         |
| 5 Excess of line 3 over line 4 (but not less than zero)  |  |  |         |
| 6 Maximum possible deduction for line 24, Schedule E (line 1 plus line 5)  |  |  |         |
| 7 Deduction for dividends to policyholders (Part II, Schedule E-2) (not in excess of line 6)                     |  |  |         |
| 8 Maximum deduction for accident and health, and group life insurance (line 6 less line 7)                       |  |  |         |
| 9 Deduction for accident and health, and group life insurance (Part III, Schedule E-2) (not in excess of line 8) |  |  |         |
| 10 Maximum deduction for certain nonparticipating contracts (line 8 less line 9)                                 |  |  |         |
| 11 Deduction for certain nonparticipating contracts (line 3, Part IV, Schedule E-2) (not in excess of line 10)   |  |  |         |

**PART II—DIVIDENDS TO POLICYHOLDERS (Section 809(d)(3))**

- 1 Dividends paid to policyholders . . . . .
- 2 (a) Increased by the excess of (i) over (ii):
- (i) Reserve at the end of the taxable year . . . . .
- (ii) Reserve at the end of the preceding taxable year . . . . .
- OR
- (b) Decreased by the excess of (i) over (ii):
- (i) Reserve at the end of the preceding taxable year . . . . .
- (ii) Reserve at the end of the taxable year . . . . .
- 3 If positive, enter on line 7, Schedule E-2; if negative, enter on line 10(b), Schedule E

**PART III—CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE (Section 809(d)(6))**

- 1 Amount of deductions allowed or allowable in prior years under section 809(d)(6) . . . . .
- 2 Net premiums . . . . .
- 3 Line 2 multiplied by 2% . . . . .
- 4 Tentative deduction—the lesser of line 3 or (50% of line 2, less amount on line 1) . . . . .

**PART IV—CERTAIN NONPARTICIPATING CONTRACTS (Section 809(d)(5))**

- 1 (a) Reserve at the end of the taxable year . . . . .
- (b) Less: Reserve at the beginning of the taxable year . . . . .
- (c) Increase (if the difference is negative, enter zero) . . . . .
- (d) Multiplied by . . . . . 10%
- 2 (a) Net premiums . . . . .
- (b) Multiplied by . . . . . 3%
- 3 Tentative deduction—the greater of line 1 or line 2 . . . . .

**Schedule F SHAREHOLDER'S SURPLUS ACCOUNT (Section 815(b))**

- 1 (a) Balance at the end of the preceding year . . . . .
- (b) Transfers under section 815(d)(1) and (4) for preceding year . . . . .
- (c) Balance at the beginning of the taxable year (line 1(a) plus line 1(b)) . . . . .
- 2 Life insurance company taxable income computed without regard to section 802(b)(3) (line 1(c), page 1, plus line 2, page 1) . . . . .
- 3 Net long-term capital gain in excess of net short-term capital loss, reduced by any income on line 2 . . . . .
- 4 Dividends-received deduction (affiliated groups—see instructions):
- (a) 85% of line 2(a), Schedule A . . . . .
- (b) 60.208% of line 2(b), Schedule A . . . . .
- (c) 85% of line 2(c), Schedule A . . . . .
- (d) Total, but not to exceed 85% of line 12 less line 20, Schedule E . . . . .
- 5 Interest wholly exempt from tax (line 1(a), column 4, Schedule A) . . . . .
- 6 Small business deduction (line 11, Schedule C) . . . . .
- 7 Total (add lines 1 through 6) . . . . .
- 8 Less: Tax liability for 1976 under section 802(a) (computed without regard to section 802(b)(3)) (income tax computed on line 2 as if line 2 was total life insurance company taxable income) . . . . .
- 9 Excess of line 7 over line 8 . . . . .
- 10 Less: Distributions in 1976 (not to exceed line 9) . . . . .
- 11 Balance as of the end of the taxable year . . . . .

**Schedule G POLICYHOLDER'S SURPLUS ACCOUNT (Section 815(c))**

- 1 Balance as of the beginning of the taxable year . . . . .
- 2 Add: (a) 50% of any excess of the gain from operations over the taxable investment income (line 2, page 1) . . . . .
- (b) The deduction for certain nonparticipating contracts (line 24(c), Schedule E) . . . . .
- (c) The deduction for accident and health, and group life insurance (line 24(b), Schedule E) . . . . .
- 3 Total (line 1 plus line 2) . . . . .
- 4 (a) Actual distributions only in excess of line 9, Schedule F . . . . .
- (b) Tax increase on line 4(a) by reason of section 802(b)(3) . . . . .
- (c) Subtractions under section 815(d)(1) and (4) (see instructions) . . . . .
- (d) Tax increase on line 4(c) by reason of section 802(b)(3) . . . . .
- (e) Subtraction required under section 815(d)(2) due to termination . . . . .
- 5 Total of lines 4(a) through (e) (not to exceed line 3). Enter here and on line 3, page 1 . . . . .
- 6 Balance at the end of the year (line 3 less line 5) . . . . .

**Schedule H LIMITATION OF INVESTMENT EXPENSE DEDUCTION**

(You need not fill in Schedule H unless you claim a deduction for general expenses allocated to investment income.)

- 1 Mean of the assets for the taxable year (line 10, column 3, Part II, Schedule B) . . . . .
- 2 One-fourth of 1% of the mean of the assets (line 1) . . . . .
- 3 Mortgage service fees . . . . .
- 4 (a) (i) Investment yield computed without regard to investment expenses . . . . .
- (ii) Three and three-fourths percent of line 1 . . . . .
- (iii) Line (i) less line (ii) . . . . .
- (iv) One-fourth of line (iii) . . . . .
- (v) Mortgage service fees (line 3) . . . . .
- (vi) Line (iv) less line (v) . . . . .
- (b) One-fourth of 1% of the amount on line 2(a), column 3, Part II, Schedule B . . . . .
- (c) The greater of (a)(vi) or (b) . . . . .
- 5 Limit on deduction for investment expenses (add lines 2 through 4) . . . . .

**Schedule J COMPENSATION OF OFFICERS (See instructions, page 8)**

| 1. Name of officer | 2. Social security number | 3. Title | 4. Time devoted to business | Percent of corporation stock owned<br>5. Common 6. Preferred | 7. Amount of compensation | 8. Expense account allowances |
|--------------------|---------------------------|----------|-----------------------------|--|---------------------------|-------------------------------|
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |
|                    |                           |          |                             |  |                           |                               |

**Schedule K DEPRECIATION (See instruction 11, page 3) Note: If depreciation is computed by using the Class Life (ADR) System or the Guideline Class Life System, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System) with your return. Check box(es) if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System. See Publication 534.**

| 1. Group and guideline class or description of property | 2. Date acquired | 3. Cost or other basis | 4. Depreciation allowed or allowable in prior years | 5. Method of computing depreciation | 6. Life or rate | 7. Depreciation for this year |
|---|------------------|------------------------|---|-------------------------------------|-----------------|-------------------------------|
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |

**5 Total—enter here and on line 11, Schedule A**

- (1) Did you at the end of the taxable year own, directly or indirectly 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c))?
- If "Yes," attach a schedule showing:
- (a) name, address, and identifying number;
- (b) percentage owned; and
- (c) taxable income or (loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.
- (2) Did any individual, partnership, corporation, estate, or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock (for rules of attribution, see section 267(c))?
- If "Yes": (a) Attach a schedule showing name, address, and identifying number.
- (b) Enter percentage owned ☐ .
- (c) Was the owner of such voting stock a person other than a U.S. person? ☐ .
- If "Yes," enter owner's country (see instruction R) ☐ .
- J Did you previously file a copy of the annual statement for the preceding years as required by General Instruction K? ☐ .
- If "Yes," name the Internal Revenue Service Center in which filed ☐ .
- K Does a copy of the 1976 annual statement accompany this return? If "No," explain why the statement is not attached ☐ .
- L Did you claim a deduction for expenses connected with:
- (1) Entertainment facility (boat, resort, ranch, etc.)? ☐ .
- (2) Living accommodations (except for employees on business)? ☐ .
- (3) Employees' families at convention or meetings? ☐ .
- (4) Employee or family vacations not reported on Form W-2? ☐ .
- M Did you file all required Forms 1087, 1096, and 1099? ☐ .
- N Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957) ☐ .
- If "Yes," attach Form 3646 for each such corporation.
- O Enter the number of defined benefit and defined contribution plans you have for your employees (see instruction I) ☐ .
- P Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683 (For definitions, see Form 4683) ☐ .
- Q Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," attach Form 4683 (For definitions, see Form 4683) ☐ .

Department of the Treasury  
Internal Revenue Service  
**1976 Instructions for  
Form 1120L  
U.S. Life Insurance  
Company Income Tax  
Return**

(References are to the Internal Revenue Code.)

**New Contiguous country branch.**—Effective for taxable years beginning after 1975, at the election (see section 819A (g)) of a domestic stock life insurance company which has a branch in a contiguous country, the assets of such branch may be transferred to a foreign corporation organized under the laws of a contiguous country without the application of section 367 or 1491.

**Establishing a contiguous country life insurance branch.**—The result in a taxable gain to the domestic life insurance company. See section 819A(h).

### General Instructions

**A. Who must file Form 1120L.**—Every domestic life insurance company and every foreign corporation carrying on an insurance business within the U.S. (if with respect to its U.S. business it would qualify as a life insurance company) which is engaged in the business of issuing life insurance and annuity contracts (either separately or combined with health and accident insurance) or noncancelable contracts of health and accident insurance and of which the life insurance reserves, plus unearned premiums and unpaid losses (whether or not ascertained), on noncancelable life, health, or accident policies not included in life insurance reserves, comprise more than 50% of its total reserves, adjusted by section 801(c), must file a return on Form 1120L.

For this purpose, the term "noncancelable" includes guaranteed renewable life, health, and accident insurance which is not cancellable by the company but under which the company reserves the right to adjust premium rates by classes, in accordance with experience under the type of policy involved. The terms "life insurance reserves" and "total reserves" do not include deficiency reserves.

**A burial or funeral benefit insurance company** engaged directly in the manufacture of funeral supplies or the performance of funeral services is taxable under section 821 or section 831 and should file Form 1120M, U.S. Mutual Insurance Company Income Tax Return, or Form 1120, U.S. Corporation Income Tax Return. (Section 801(f).)

If a receiver, trustee in bankruptcy, or assignee has possession of, or holds title to, all or substantially all the property or business of a corporation, whether or not the property or business is being operated, he must make a return in the same manner and form as would be required were such corporation required to make its own return. (Section 6012.)

If a life insurance company disposes of its life insurance business and life insurance reserves under a reinsurance agreement with another company, but continues its corporate existence for the purpose of winding up and liquidating its affairs, it will not be taxable as a life insurance company after the effective date of such agreement.

**B. Period covered.**—The return is to be filed for calendar year 1976. (Section 843.) If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**C. Accounting methods.**—The return must be filed using the accrual method of accounting or, to the extent permitted under regulations, a combination of the accrual method with any other method, other than the cash receipts and disbursements method.

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first obtaining consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole dollar amounts.**—The money items may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

### D. Where to file.

If the corporation's principal business, office, or agency is located in

Use this address

New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester  
Internal Revenue Service Center  
1040 Waverly Avenue  
Nutleyville, New York 11793

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont  
Internal Revenue Service Center  
310 Lowell Street  
Andover, Mass. 01812

Alabama, Florida, Georgia, Mississippi, South Carolina  
Internal Revenue Service Center  
4800 Buford Highway  
Chamblee, Georgia 30006

Michigan, Ohio  
Internal Revenue Service Center  
Cincinnati, Ohio 45208

Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas  
Internal Revenue Service Center  
3631 S. Interregional Highway  
Austin, Texas 78740

Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming  
Internal Revenue Service Center  
1152 West 1200 Street  
Ogden, Utah 84201

Illinois, Iowa, Missouri, Wisconsin  
Internal Revenue Service Center  
2308 E. Banister Road  
Kansas City, Missouri 64170

California, Hawaii  
Internal Revenue Service Center  
5045 East Butler Avenue  
Fresno, California 93888

Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia  
Internal Revenue Service Center  
3131 Democrat Road  
Memphis, Tennessee 38110

Delaware, District of Columbia, Maryland, Pennsylvania  
Internal Revenue Service Center  
11601 Roosevelt Boulevard  
Philadelphia, Pa. 19155

Foreign corporations carrying on an insurance business within the U.S. must

file their return with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation is located.

**E. When to file.**—In general, Form 1120L must be filed on or before March 15, 1977.

You may request an automatic 3-month extension of time to file Form 1120L by filing Form 7004.

Form 7005 may be used to request an additional extension but only by those corporations that have previously obtained an automatic 3-month extension by filing Form 7004.

**F. Depositary method of payment of tax.**—The balance of tax due (line 23) must be paid in full when the return is filed or in two installments, 50% by March 15, 1977 and 50% by June 15, 1977.

All corporation income tax payments and estimated income tax payments must be deposited with an authorized commercial bank depository or Federal Reserve Bank, with a Federal Tax Deposit Form preinscribed with a Tax Class Number 503, in accordance with instructions appearing on the reverse of that form. Each deposit must be accompanied by a Federal Tax Deposit Form preinscribed with Tax Class Number 503. Do not remit directly to Internal Revenue. Records of deposits will be sent to Internal Revenue for crediting to the corporation's account.

Timeliness of deposits will be determined by the date the deposit was recorded as received by the commercial bank depository or Federal Reserve Bank.

Federal Tax Deposit Forms preinscribed with a Tax Class Number 503 will be mailed to corporations on a cyclical basis depending on the taxable year of the corporation. Corporations needing such deposit forms may obtain them from the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

**Estimated tax.**—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

Form 1120-W may be used as a worksheet to compute estimated tax.

If you overpaid estimated tax, you may apply on Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of expected income tax liability (and (2) at least \$500. This application must be made within 2½ months after the end of the taxable year and before you file your tax return.

**G. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return he is required to file on behalf of a corporation.

If the person who prepares the return for pay is not an employee of a firm, corporation or another individual, then that person must sign the return as preparer

and enter his or her social security number and address. If the person who prepares the return for pay is an employee of a firm, corporation or another individual, then that person must sign the return and enter the employer's name, identification number, and address. If prepared by the taxpayer's regular, full-time employee, such as a clerk, secretary, or bookkeeper, the employee does not have to sign.

**H. Information returns and forms that may be required.**—

1. Forms W-2 and W-3.—Employee's wage and tax statement; and transmittal of income and tax statements.

2. Form W-2P.—Statement for recipients of annuities, pensions or retired pay.

3. Forms 1087-DIV, INT, MED, MISC, and OID.—Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.

4. Form 1096.—Annual summary and transmittal of U.S. information returns.

5. Form 5452.—Corporate report of non-taxable dividends.

6. Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

7. Forms 1099-DIV, INT, MED, MISC, OID, PATR, and R.—Information returns for reporting certain dividends, interest income, medical and health care payments, miscellaneous income payments, original issue discount, patronage dividends, and lump-sum distributions from profit-sharing and retirement plans.

8. Pension, profit-sharing, etc. plans.—Complete Form 5500 for each of your plans and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for the above forms for computation of allowable deduction. File these forms on or before the last day of the 7th month following the close of your taxable year.

**Employee benefit programs.**—You may deduct the amount of your contributions to employee benefit programs (e.g., insurance, health, and welfare programs) that are not an incidental part of a pension, profit-sharing, etc. plan.

**J. Stock ownership in foreign corporations.**—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you controlled a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

**K. Annual statement.**—A copy of the annual statement for life insurance companies adopted by the National Association of Insurance Commissioners for the year 1976, as filed with the Insurance Department of the State, or District of Columbia, which shows the reserves used in computing the taxable income reported on the return, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks), must accompany the return (see section 1.6012-2(c) of the regulations).

2

Similar copies for the 4 preceding years must also be furnished if not already filed for such years. In the case of a foreign life insurance company carrying on a life insurance business within the U.S., the copies submitted must relate to the U.S. business of the company.

If you use miniature statements, they may be filed instead of larger statements.

**L. Attachments.**—If more space is needed on forms or schedules, attach separate sheets and use the same arrangement as the printed forms, but show the totals on the printed forms. Be sure to put the taxpayer's name and employer identification number on these separate sheets.

**M. Consolidated returns.**—Subject to the provisions of sections 1501 through 1504, section 1552, and the regulations thereunder, an affiliated group of corporations, each qualifying as a life insurance company, may make a consolidated income tax return instead of separate returns. The parent corporation must attach Form 851, Affiliations Schedule, to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach Form 1122.

**N. Percentage computations.**—In computing earnings rates, assumed rates, and policyholders' and company's share of investment yield, the computation should be carried out to a sufficient number of decimal places to insure substantial accuracy and to eliminate any significant error in the resulting tax liability.

**O. Total insurance liabilities.**—Domestic company.—The term "total insurance liabilities" means the sum of the total reserves as defined in section 801(c) as of the end of the taxable year plus (to the extent not included in total reserves) the items referred to in paragraphs (3), (4), (5), and (6) of section 810(c) as of the end of the taxable year. See section 819(a)(2) and instruction P below.

Foreign company.—The term "total insurance liabilities" relates only to U.S. business.

**P. Segregated asset accounts.**—All companies with segregated asset accounts must attach a schedule showing separately for the regular accounts and for the segregated asset accounts, section 819(a)(2) total insurance liabilities and section 805(b)(4) assets. See section 1.801-8(h) of the regulations.

**Q. Transfers to corporation controlled by transferee.**—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by section 1.351-3 of the regulations.

**R. U.S. person.**—The term "U.S. person" means: (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, or (4) any estate or trust (other than a foreign estate or trust within the meaning of section 7701(a)(3)).

Owner's country, for individuals, is their country of residence. For all others, it is the country where incorporated, organized, created, or administered.

**S. Penalties.**—

1. A corporation that fails to file its tax return by the prescribed due date in-

cluding any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25% for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate pursuant to section 6621.

If you underpaid estimated tax and believe a penalty charge should not be assessed, attach Form 2220.

**T. Foreign Bank, Securities and Other Financial Accounts, and Grants, Transfers, or Beneficiaries of Foreign Trusts.**—Form 4683 must be completed by a person—

1. who had any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution); or

2. who was the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not that person has any beneficial interest in such trust.

Please note that this year Form 4683 must be filed by taxpayers having any interest in a foreign trust. In prior years this form was required to report an interest in a trust only if the interest was more than a 50% interest.

**U. Employer Identification Number.**—Enter the employer identification number (EIN) assigned to the corporation.

Corporations who do not have an EIN should apply for one on Form SS-4, available from any IRS or Social Security Administration office. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120-L is sent.

**V. Reporting International Boycott Operations.**

Any corporation, or a member of a controlled group which includes that corporation, or a corporation which is a United States shareholder of a foreign corporation, which has operations in, or related to, a country (or with the government, a company, or a national of a country) which requires participation in or cooperation with an international boycott as a condition of doing business within such country or with the government, company, or national of such country, may be required to file Form 5713 (See section 999(a)).

Further, if that corporation, member or United States shareholder, participates in or cooperates with an international boycott (as defined in section 999(b)(3)) during the taxable year, a portion of the foreign tax credit, the deferral of earnings of

foreign subsidiaries, and DISC benefits will be denied. Any corporation subject to the reporting requirements of section 990(a), as outlined above, is required to file Form 5713 in duplicate. The original copy is to be filed with the Internal Revenue Service Center, 11601 Roosevelt Blvd., Philadelphia, Pennsylvania 19155. The duplicate copy of Form 5713 is to be attached to the corporation's income tax return.

## Specific Instructions

(Numbered to correspond with the line numbers on the return.)

### SCHEDULE A—Investment Yield

The term "investment yield" means gross investment income, as defined in section 804(b), less the deductions allowed in section 804(c). The entire amount of the items of income and allowable deductions are to be reported in Schedule A. The purpose of including the entire amount of these items is to provide the basis for the exclusion of the policyholders' share of the investment yield from the life insurance company's taxable income.

1. **Interest.**—Enter interest from all sources during the taxable year. The gross amount of interest reported as gross income shall be decreased by the amortization of premium and increased by the accrual of discount (except market discount) attributable to the taxable year on bonds, notes, debentures, or other evidences of indebtedness, determined in accordance with: (1) the method regularly employed, if reasonable; or (2) regulations prescribed by the Secretary or his delegate. See section 818(b), (Attach a statement showing method and computation.)

#### 2. Dividends.—

(a) Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(a)(1).

So-called dividends or earnings received from mutual savings banks, etc., are really interest and should not be treated as dividends.

For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

(b) Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

(c) Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

Also include in line 2(c) dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b). In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving such dividends and (2) all of its gross income from all sources is effectively connected with

the conduct of a trade or business within the U.S.

The 100% deduction does not apply to any dividend if an election under section 1562 (relating to multiple surtax exemptions by a controlled group of corporations) is effective for the taxable year of the foreign corporation out of the earnings and profits of which such dividends are paid.

If dividends received from wholly-owned foreign subsidiaries are included in line 2(c), attach a schedule showing the amount of these dividends included.

(d) Enter dividends entitled to the 100% dividends-received deduction under section 243(b)(3) and which are subject to the elective provisions of section 243(b).

(e) Enter dividends that are subject to the elective provisions of section 243(b) and are entitled to the dividends-received deduction as computed under the provisions of section 1564(b).

(f) Attach a schedule showing separately:

(1) Foreign dividends (including minimum distributions under subpart F) not reportable on line 2(c). Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.

(2) Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, of Form(s) 3646.

(3) Include gross-up for taxes deemed paid under sections 902 and 960.

(4) Include dividends (other than capital gain dividends and exempt interest dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856-858; dividends not eligible for the dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

3. **Gross rents.**—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, taxes, and depreciation in the proper lines for deductions.

4. **Gross royalties.**—Enter the gross amount of royalties. If a deduction is claimed for depletion, report it on line 12.

5. **Leases, terminations, etc.**—Enter the gross amount of income from the entering into (or the alteration or termination) of any lease, mortgage, or other instrument or agreement from which the life insurance company derives interest, rents, or royalties.

6. **Net short-term capital gain.**—Enter the amount (if any) by which the net short-term capital gain exceeds the net

long-term capital loss. See separate Schedule D (Form 1120L).

7. **Gross income from trade or business other than insurance business.**—Enter the gross income from any trade or business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a member.

#### Deductions

9. **Investment expenses.**—Enter expenses which are properly chargeable as investment expenses. If you allocate general expenses to investment expenses, the total deduction cannot exceed line 5, Schedule H. Attach a schedule showing the nature and amount of items included and group the minor items into one amount.

10. **Real estate expenses.**—Enter the amount of taxes (section 164); all ordinary and necessary building expenses, such as fire insurance, heat, light, labor; and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition, exclusively on or with respect to the real estate owned by the company. Do not include any amount paid for new buildings or for permanent improvements or betterments made to increase the value of any property or any amount expended on foreclosed property before such property is held for rental purposes. These taxes and other expenses should be itemized in an attached schedule. (For limitation on deduction, see instruction 11(f).)

11. **Depreciation.**—Enter the depreciation on property used for producing gross investment income. The deduction for depreciation is limited to the depreciation on property that is used, and to the extent used, for the purpose of producing gross investment income as defined in section 804(b). (For limitation on deduction, see instruction 11(f).)

Complete Schedule K if you claim a deduction for depreciation of property used for producing gross investment income. Form 4562, Depreciation, may be used as a supplement to Schedule K.

**Salvage value.**—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after you make the above salvage value reduction.

(e) **Tangible personal property other than real property.**—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible personal property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

218-113-1

3

(b) **New section 1250 property.**—The double declining balance and sum of the years-digits methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150% declining balance methods.

(c) **Used section 1250 property.**—Used residential rental property, with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

(d) **Rehabilitation expenditures for low-income rental housing.**—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. For details, see section 167(k).

**Historic structures.**—For new rules pertaining to the depreciation of expenditures related to historic structures see sections 167(n) and 167(o).

(e) **Section 179—Additional first-year depreciation allowance.**—For the first year a depreciation deduction is allowable, corporations may elect to write off 20% of the cost (before adjustment for salvage value) of new or used tangible personal property with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

(f) **Limitation on deductions relating to real estate owned and occupied.**—The deductions included on lines 10 and 11 for real estate owned and occupied for insurance purposes in whole or in part by the company is limited to an amount which bears the same ratio to those deductions (computed without regard to the second sentence of section 804(c)(3)) as the rental value of the space not so occupied bears to the rental value of the entire property. Attach a detailed schedule.

12. **Depletion.**—See section 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

13. **Trade or business deductions.**—Enter the total deductions attributable to any trade or business (other than an insurance business) income that is included in the life insurance company's gross investment income under section 804(b)(3). Do not include losses (a) from (or considered as from) sales or exchanges of capital assets, (b) from sales or exchanges of property used in the trade or business (as defined in section 1231(b)), or (c) from the compulsory or involuntary conversion of property used in the trade or business.

The deduction for net operating losses (section 172) and the special deductions

4

218-113-1

(sections 241 through 250) are not allowed.

## SCHEDULE B.—

### Part I—Policy and Other Contract Liability Requirements (Section 805(a))

**Purpose.**—The next step after determining investment yield (Schedule A) is to determine the policy and other contract liability requirements. This computation furnishes the numerator, with the total of the investment yield as the denominator, to determine the policyholders' share of investment yield which is not included in computing taxable investment income (Schedule C).

**Definition.**—The term "policy and other contract liability requirements" means the sum of (1) the adjusted life insurance reserves (from Part VI), multiplied by the adjusted reserves rate (from Part III); (2) the mean of the pension plan reserves at the beginning and end of the taxable year (from Part V), multiplied by the current earnings rate (from Part III); and (3) the interest paid (from Part VII).

### Part II—Assets (Section 805(b)(4))

**Purpose.**—This computation is necessary in order to determine the earnings rates in Part III.

**Definition.**—The term "assets" for this purpose means all assets of the company (including nonadmitted assets) and includes all monies but does not include real and personal property (other than money) used by the company in carrying on an insurance trade or business.

**Valuation.**—The amount attributable to real property and to stocks is their fair market value. The amount attributable to other assets is the adjusted basis of such assets for purposes of determining gain on sale or other disposition. This adjusted basis is determined under section 1011, and related sections, without regard to section 817(b).

**Section 806(a) adjustment.**—If, during the taxable year, there is a change in life insurance reserves (either increases or decreases) attributable to the transfer between the taxpayer and another person of liabilities under contracts taken into account in computing such reserves, the mean of the assets must be appropriately adjusted on a daily basis to reflect the amounts involved in such transfer. See section 806 of the regulations. Attach a schedule showing the adjustment.

### Part III—Earnings Rates (Section 805(b))

The term "current earnings rate" means the percentage determined by dividing the investment yield for the taxable year (Schedule A), by the mean of the assets at the beginning and end of the taxable year (Part II—Assets).

The term "average earnings rate" means the sum of the current earnings rate for the taxable year and the earnings rate for each of the 4 taxable years immediately preceding the taxable year, divided by 5. If, in computing the 5-year average earnings rate for any taxable year, the company was an insurance company (but not a life insurance company) in any of the 4 years preceding the taxable year, the computation shall be made as if the company were a life insurance company for such year. Where the com-

pany was not in existence for one or more of the 4 preceding years or was not an insurance company for one or more of such years, no entry shall be made for such year or years. The average earnings rate (line 7) is determined by adding the percentages entered and dividing this sum by the number of applicable years. For example, if entries are made on three lines, divide the sum by 3. See General Instruction N.

### Part IV—Average Interest Rate Assumed (Section 805(c)(2))

The purpose of this schedule is to determine a rate which is used in the computation of adjusted life insurance reserves (Part VI). See General Instruction N. Exclude pension plan reserves from life insurance reserves for the purpose of determining the taxpayer's assumed rate under this part. See Part V.

**Columns 5 and 6.—Adjustment under section 806(b).**—If the basis for determining the amount of any item referred to in section 810(c) (life insurance reserves, etc.) as of the close of the taxable year differs from the basis for such determination as of the beginning of the taxable year, then the amount of the item as of the close of the taxable year must be the amount computed on the old basis, and the amount of the item as of the beginning of the next taxable year must be the amount computed on the new basis.

**Adjustment under section 818(c).**—This adjustment is required where the company actually computes its life insurance reserves on one of the recognized preliminary term bases but elects to convert them to a net level premium basis in the computation of the reserves for tax purposes.

If elected, the conversion may be made by one of two methods:

**Method 1. Exact revaluation:** Under this method, the company must compute the reserves for all contracts (with respect to which reserves are computed on a preliminary term basis) on a net level premium basis using the same mortality assumptions and interest rates for both the preliminary term basis and the net level premium basis.

**Method 2. Approximate revaluation:** Under this method, with respect to contracts for which reserves are computed under the preliminary term basis, the reserves are increased by the sum of (1) \$21 per \$1,000 of insurance in force (other than term insurance), less 2.1% of reserves under such contracts; and (2) \$5 per \$1,000 of term insurance in force under contracts which at the time of issuance cover a period of more than 15 years, less 0.5% of reserves under such contracts.

A life insurance company may elect, under section 818(c), the approximate revaluation method for all its life insurance reserves, other than noncancelable accident and health reserves, and use the exact revaluation method for all its noncancelable accident and health reserves. (Revenue Ruling 60-61, 1960-1 CB 268.)

**Column 7.—Adjustment under section 806(a).**—If, during the taxable year, there is a change in life insurance reserves attributable to the transfer between the company and another person of liabilities under contracts taken into account in computing such reserves, the means of such reserves must be appropriately adjusted on a daily basis to

reflect the amounts involved in such transfer. (See section 1.806-3 of the regulations.) This adjustment is applicable whether or not the transferor of the liabilities was the original insurer. However, this adjustment is not applicable to reinsurance ceded by another person to the taxpayer or by the taxpayer to another person. For the definition of "life insurance reserves," see section 801(b).

#### Part V—Pension Plan Reserves (Section 805(d))

These reserves must be adjusted under sections 806 and 818(c) as described in Part IV above.

#### Part VI—Adjusted Life Insurance Reserves (Section 805(c)(1))

This term constitutes the mean of the life insurance reserves (as defined in section 801(b)), computed under Part IV (excluding pension plan reserves taken into account under Part VI), adjusted as set forth in Part VI, Schedule B.

#### Part VII—Interest Paid (Section 805(e))

1.—Enter all interest for the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from tax.

2.—Enter all amounts in the nature of interest, whether or not guaranteed, for the taxable year on insurance or annuity contracts (including contracts supplementary thereto) which do not involve, at the time of accrual, life, health, or accident contingencies.

3.—Enter all amounts accrued for the taxable year for discounts in the nature of interest, whether or not guaranteed, on premiums or other consideration paid in advance on insurance or annuity contracts.

4.—Enter all interest for the taxable year on special contingency reserves under contracts of group term life insurance or group health and accident insurance which are established and maintained for the provision of insurance on retired lives, for premium stabilization, or for a combination thereof.

#### SCHEDULE C.—Taxable Investment Income

General.—The policyholders' share of each item of investment yield (including tax-exempt interest, and dividends received) of any life insurance company cannot be included in taxable investment income.

1.—Enter the percentage that represents the policyholders' share of each item of investment yield. This percentage is determined by dividing the policy and other contract liability requirements (Schedule B) by the investment yield (Schedule A), except that if the amount of the policy and other contract liability requirements exceeds the investment yield, the policyholders' share of any items must be 100%. See General Instruction N.

2.—Enter the percentage that represents the life insurance company's share of any item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

4-7.—Enter on line 4, column 1, the amount of interest which is wholly ex-

empt from tax under section 103. (Where securities of a municipality are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount, such discount is not in the nature of tax-exempt interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percentage from line 1 and enter the product for each line in column 2. The amounts entered in column 2 represent the policyholders' share of these items which is not included in taxable investment income. Enter in column 3 the difference obtained by subtracting column 2 from column 1. The amounts entered in column 3 represent the company's share of these items of investment yield.

#### Reductions

9. Interest wholly tax-exempt.—Enter the amount from line 4, column 3. This amount is the company's share of wholly tax-exempt interest which, like the policyholders' share of such interest (from line 4, column 2), is not included in taxable investment income.

10. Dividends-received deduction.—(a) Dividends received from domestic corporations.—Enter 85% of the company's share (line 5(a), column 3) of the amount received as dividends (except dividends on certain preferred stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct 100% of the qualifying dividends received from other members of the same group. Include the company's share of the 100% deduction on line 10(a). See section 243.

(b) Dividends received on certain preferred stock of public utilities.—Enter 60.208% of the company's share (line 5(b), column 3) of the amount received as dividends on the preferred stock of a public utility which is subject to income tax and which is allowed a deduction for dividends paid under section 247. See section 244.

(c) Dividends received from foreign corporations subject to the 85% deduction.—Enter 85% of the company's share (line 5(c), column 3) of dividends received from foreign corporations subject to the 85% deduction.

Also enter on this line 100% of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

(d) Total dividends-received deduction.—The total of the dividends-received deduction cannot exceed 85% of taxable investment income computed without regard to this deduction.

The limitation for a member of an electing affiliated group is 85% of taxable investment income computed without regard to this deduction. However, this deduction must be reduced by the deduction for 100% (as described in 10(a) above) of the qualifying dividends received from the same group since these dividends are not subject to the 85% limitation.

In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of if the corporation held it 15 days or less, or (b) to the extent the corporation is under an

obligation to make corresponding payments with respect to substantially identical stock or securities.

11. Small business deduction.—Enter 10% of the investment yield (Schedule A) but not to exceed \$25,000. Members of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

Members of a controlled corporate group are limited to one \$25,000 small business deduction. See section 1561(a).

#### SCHEDULE E.—Gain and Loss From Operations

General.—The share of each item of investment yield (including tax-exempt interest and dividends received) of any life insurance company set aside for policyholders cannot be included in gain and loss from operations.

1.—Enter the percentage which represents the share of any item of investment yield which is set aside for policyholders. This percentage is determined by dividing the required interest (Schedule E-1) by the investment yield (Schedule A), except that if the amount of the required interest exceeds the investment yield, then the share of any item set aside for policyholders must be 100%. See General Instruction N.

2.—Enter the percentage which represents the life insurance company's share of any item of investment yield. This percentage is equal to the difference between 100% and the percentage on line 1.

4-6.—Enter on line 4, column 1, the amount of interest which is wholly exempt from tax under section 103. (Where securities of a municipality are originally issued at a price not less than par value and are subsequently acquired by a purchaser at a discount, such discount is not in the nature of tax-exempt interest within the meaning of section 103.) Multiply the amount on each line in column 1 by the percentage from line 1 and enter the product for each line in column 2. The amounts entered in column 2 represent the policyholders' share of these items which are not included in gain and loss from operations. Enter in column 3 the difference obtained by subtracting column 2 from column 1. The amounts entered in column 3 represent the company's share of these items of investment yield.

9.—Enter the gross amount of premiums and other consideration (including advance premiums, deposits, fees, assessments, and consideration from assuming liabilities under contracts not issued by the company) on insurance and annuity contracts (including contracts supplementary thereto); less return premiums, and premiums and other consideration arising out of reinsurance ceded. Except in the case of premiums or other consideration returned to another life insurance company from reinsurance ceded, amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management cannot be included. However, amounts rebated or refunded due to policy cancellations or to erroneously computed premiums are treated as return premiums.

10(a). Decrease in reserves.—Enter the excess of the sum of the items de-

218-113-1

5

scribed in section 810(c) as of the beginning of the taxable year over the sum of such items as of the close of the taxable year (reduced by the policyholders' share of investment yield not included in gain and loss from operations—(from line 7, column 2).

10(b). Decrease in section 811(b)(2) reserves.—Enter the amount (from line 3, Part II, Schedule E-2) by which the decrease for the taxable year in the reserves for policyholder dividends exceeds the amount of dividends paid to policyholders during such year. Enter also one-tenth of any net decrease in reserves attributable to the operation of section 810(d).

11. Other amounts.—Enter the total amount of other income not included in computing investment yield and not otherwise included above to the extent that such items are includible in gross income. However, exclude all gains from the sale or exchange of capital assets and gains considered as gains from the sale or exchange of a capital asset.

#### Deductions

13. Death benefits, etc.—Enter the amount of all claims and benefits accrued (including matured endowments and amounts allowed on surrender) and losses incurred (whether or not ascertained) during the year on insurance, annuity, and supplementary contracts. The term "losses incurred (whether or not ascertained)" refers to a reasonable estimate of the amount of the losses incurred but not reported, as well as losses reported but where the amount cannot be ascertained by the end of the year.

14. Increase in reserves.—Enter the excess of the sum of the items described in section 810(c) as of the close of the taxable year (reduced by the policyholders' share of investment yield not included in gain and loss from operations (line 7, col. 2)) over the sum of such items as of the beginning of the taxable year. Enter also one-tenth of any net increase in reserves attributable to the operation of section 810(d).

15. Assumption by another person of liabilities under insurance, etc., contracts.—Enter the amount of the consideration (other than consideration arising from reinsurance ceded) from the assumption by another person of liabilities under insurance and annuity contracts (including contracts supplementary thereto).

16. Interest wholly tax-exempt.—Enter the amount from line 4, column 3. This amount is the company's share of wholly tax-exempt interest which, like the policyholders' share of such interest (from line 4, column 2), is not included in gain and loss from operations.

17. Investment expenses.—Enter the excess of the total investment expenses over the amount allowed in computing investment yield (Schedule A), and the amount (if any) by which the sum of the deductions allowable (line 14, Schedule A) exceeds the gross investment income (line 8, Schedule A). Attach a schedule showing computations.

18. Small business deduction.—Enter 10% of the investment yield (Schedule A) but not to exceed \$25,000. Members of certain affiliated groups are limited to one \$25,000 limitation. (Section 243.)

6

218-113-1

Members of a controlled group are limited to one \$25,000 small business deduction. See section 1561(a).

19. Other deductions.—Enter the total amount of all other deductions, not included in computing investment yield and not included in lines 21 through 24, to the extent allowable as deductions in computing taxable income except as modified below:

(a) Interest.—No deduction is allowed under section 163 for interest on the items described in section 810(c).

(b) Bad debts.—No deduction is allowed for an addition to reserves for bad debts under section 166(c), but a deduction for specific bad debts is permitted to the extent that the other provisions of that section are applicable.

(c) Contributions.—Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined. For limitation and the application of a charitable contribution carryover, see section 1.809-6(c) of the regulations.

In applying section 170, the 5% limitation on total deductions must be computed under section 809(e) (3). See section 1.809-6(c) of the regulations.

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

Companies on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month following the end of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contribution was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Special rule for contributions of certain property.—If you make a charitable contribution of property, the contribution must be reduced by the sum of

(1) the ordinary income, short-term capital gain, and

(2) for certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).) For special rules regarding a contribution of inventory, and other ordinary income property (de-

scribed in section 1221(1) or (2)), made after October 4, 1976, in taxable years ending after such date, to an exempt organization described in section 501(c)(3), for use in the case of the ill, needy, or infants, see section 170(e)(3).

Bargain sale to a charitable organization.—If you take a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

(d) Amortizable bond premiums.—No deduction is allowed under section 171 since a deduction for such premiums has already been taken into account in Schedule A.

(e) Net operating loss deduction.—The deduction under section 172 is not allowed since in lieu thereof an "operations loss deduction" is allowed. See line 22.

(f) Dividends received.—No deduction is allowed under sections 243, 244, or 245 in view of the deduction allowed under section 809(d)(8). See line 21.

Attach a schedule showing the nature and amount of items included and group the minor items into one amount. If a deduction is claimed for depreciation, attach a schedule similar to Schedule K. You may use Form 4562, Depreciation, as a supplement to the schedule.

21. Dividends-received deduction.—(a) Dividends received from domestic corporations.—Enter 85% of the company's share (line 5(a), column 3) of the amount received as dividends (except dividends on certain preferred stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct 100% of the qualifying dividends received from other members of the same group. Include the company's share of the 100% deduction on line 21(a). See section 243.

(b) Dividends received on certain preferred stock of public utilities.—Enter 60.208% of the company's share (line 5(b), column 3) of the amount received as dividends on the preferred stock of a public utility which is subject to income tax and which is allowed a deduction for dividends paid under section 247. See section 244.

(c) Dividends received from foreign corporations subject to the 85% deduction.—Enter 85% of the company's share (line 5(c), column 3) of dividends received from foreign corporations subject to the 85% deduction.

Also enter on this line 100% of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

(d) Section 246(b) limitation.—In applying this 85% limitation to the total dividends-received deduction, the gain from operations is computed without regard to the deductions for certain non-participating contracts (line 24(c)); accident and health insurance, and group life insurance (line 24(b)); dividends to policyholders (line 24(a)); the operations

loss deduction (line 22); and the dividends-received deduction. Since these items have not been deducted, the 85% limitation is applicable to the excess, if any, of line 12 over line 20.

For a member of an electing affiliated group, the 85% limitation is applicable to the excess, if any, of line 12 over line 20. Line 20, however, must first be reduced by the deduction for 100% (as described in 21(a) above) of qualifying dividends received from the same group, since these dividends are not subject to the 85% limitation.

**Exception.**—The 85% limitation does not apply to any year for which there is a loss from operations.

**22. Operations loss deduction.**—This deduction allowed under section 809(d)(4) and determined under section 812 is, in substance, the same as the net operating loss deduction provided by section 172.

The "operations loss deduction" is the sum of the operations loss carryovers and carrybacks to the taxable year (sec. 812 (a)).

Generally a net operating loss may be carried back to each of the 3 years preceding the year of each loss and carried over to each of the 7 years following the year of such loss, or an irrevocable election may be made whereby a net operating loss may be carried over to each of the 7 years following the year of such loss. See section 812(b)(3). If the company is a new company for the loss year, the carryover is for 10 years. For the definition of a new company and for the limitations on the 10 year carryover, see section 812(e) and the related regulations. After applying the net operating loss to the first taxable year to which it may be carried, the portion of the loss that may be carried to each of the remaining taxable years is the excess, if any, of the loss over the sum of the taxable income for each of the prior taxable years to which the loss may be carried.

See section 844 for special loss carryover rules that pertain to an insurance company that has changed its form of organization or has had a change in the nature of its insurance business.

For tax treatment of recoveries of foreign expropriation losses, see section 1351.

The term "offset" (for any taxable year) means an amount equal to the increase in the operations loss deduction for the taxable year that reduces the life insurance company taxable income (computed without regard to section 802(b)(3)) for the year to zero.

The term "loss from operations" means the excess of allowable deductions (computed with the modifications in (a) and (b) below) over the amount on line 12.

(a) No operations loss deduction is allowed.

(b) The deductions allowed by section 243 (dividends received by corporations), section 244 (dividends received on certain preferred stock of public utilities), and section 245 (dividends received from certain foreign corporations) must be computed without regard to section 246 (b), as modified by section 809(d)(8)(B).

24.—The deduction for certain nonparticipating contracts, accident and health insurance and group life insurance, and dividends to policyholders cannot exceed \$250,000 plus the amount, if

any, by which (a) the gain from operations for the taxable year, computed without regard to these deductions, exceeds (b) the taxable investment income for the taxable year. The limitation in the foregoing sentence will apply to the amount of the deduction for: (1) dividends to policyholders; then, accident and health insurance and group life insurance; and finally, certain nonparticipating contracts. See Schedule E-2, Part I.

**SCHEDULE E-1.—Required Interest (Section 809(a)(2))**

The term "required interest" for any taxable year means the sum of the products obtained by multiplying (A) each rate of interest required, or assumed by the taxpayer, in calculating the reserves described in section 810(c), by (B) the means of the amount of such reserves computed at such rate at the beginning and end of the taxable year. See General Instruction N.

**SCHEDULE E-2.—Part I—Limitation on Deduction (Line 24, Schedule E) (Section 809(f))**

Parts II, III, and IV should be completed before making entries in this schedule. By completing this schedule, the limitation provided in section 809(f) and explained in connection with line 24, Schedule E, automatically applies.

**Part II—Dividends to Policyholders (Section 809(d)(3))**

The term "dividends to policyholders" means dividends and similar distributions made to policyholders in their capacity as such. In general, amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management are to be treated as dividends to policyholders. The term does not include interest paid (as defined in section 805(e)), or, for example, so-called excess interest payments made with respect to supplementary contracts not involving life, accident, or health contingencies merely because such interest payments exceed the amounts guaranteed under such contracts.

The deduction is an amount equal to the dividends paid to policyholders during the taxable year plus (or minus) any increase (or decrease) in the reserves for policyholder dividends payable during the following taxable year. For this purpose, reserves for policyholder dividends at the end of any taxable year includes all amounts set aside before the 16th day of the third month of the year following such taxable year for payment of policyholder dividends during the year following such taxable year.

If the amount of the decrease for the taxable year in the reserves for policyholder dividends exceeds the amount of dividends paid to policyholders during the year, the amount of the excess shall be taken into account as an income item (line 10(b), Schedule E).

**Part III—Certain Accident and Health Insurance and Group Life Insurance (Section 809(d)(6))**

This deduction is an amount equal to 2% of the premiums for the taxable year attributable to accident and health insurance contracts (other than those to which Schedule E-2, Part IV applies) and group life insurance contracts. The term "premiums" means the net amount of the premiums and other consideration taken into account in Schedule E. How-

ever, the deduction allowed for the taxable year and all preceding taxable years cannot exceed an amount equal to 50% of the premiums for the taxable year attributable to the contracts.

**Part IV—Certain Nonparticipating Contracts (Section 809(d)(5))**

This deduction is an amount equal to 10% of the increase for the taxable year in the reserves for nonparticipating contracts (excluding group contracts) or, if greater, an amount equal to 3% of the premiums for the taxable year (excluding that portion of the premiums which is allocable to annuity features) attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more. The term "reserves for nonparticipating contracts" means such part of the life insurance reserves (excluding that portion of the reserves which is allocable to annuity features) as relates to nonparticipating contracts (other than group contracts). The term "premiums" means the net amount of the premiums and other consideration taken into account in Schedule E.

The premiums referred to include only premiums attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more, but do not include that portion of the premiums which is allocable to annuity features. The determination of whether a contract meets the 5-year requirement will be made as of the date it was issued or renewed, whichever is applicable. Thus, a 20-year nonparticipating endowment policy will qualify under section 809(d)(5), even though the individual insured in the contract died at the end of the second year, since the policy was issued for a period of 5 years or more. However, a 1-year renewable term contract will not qualify, in that, as of the date it was issued (or of any renewal date), it was not for a period of 5 years or more. Also, a policy originally issued for a 3-year period and subsequently renewed for an additional 3-year period will not qualify. However, if this policy were renewed for a period of 5 years or more, the policy would qualify under section 809(d)(5) from the date it was renewed.

**SCHEDULE F.—Shareholders' Surplus Account (Section 815(b))**

Section 815(b)(1) provides that each stock life insurance company (both domestic and foreign) must establish and maintain a shareholders' surplus account. The balance remaining in this account as of January 1, 1976 must be increased by the net additions thereto as provided in section 815(b)(2) (lines 2-8 of the schedule). In determining the amount to be entered on line 3, the amount, if any, by which the net long-term capital gain exceeds the net short-term capital loss must be reduced by the taxable income (computed without regard to section 802(b)(3)). For instructions on the limitation of the dividends-received deduction on line 4 when the 100% dividends-received deduction under section 243(b) or the dividends-received deduction under section 1564 is applicable, see instructions for line 21(d), Schedule E. Subtract from this account any amount that is treated under section 815 as a distribution to shareholders. Any distribution to shareholders must be treated as made first out of this account, to the extent thereof.

218-113-1 7

## SCHEDULE G.—Policyholders' Surplus Account (Section 815(c))

Section 815(c)(1) provides that every stock life insurance company (both domestic and foreign) shall establish and maintain a policyholders' surplus account. The balance remaining in this account as of January 1, 1976 must be increased by the additions as provided in section 815(c)(2) (line 2 of the schedule) and must be decreased by the subtractions as provided in section 815(c)(3) (line 4 of the schedule).

Enter on line 4(a) the actual distributions to shareholders in excess of the amount reported on line 9, Schedule F. The amount to be entered on line 4(b) is the tax attributable to the amount "which is treated as a subtraction from this account" which after deducting the tax is the amount reflected on line 4(a). This amount can be determined by applying to the amount on line 4(a), a ratio, the numerator of which is 100%, and the denominator of which is 100% minus the taxpayer's tax rate (the sum of the normal tax rate plus, if applicable, the surtax rate). The subtractions to be entered on line 4(c) must be treated as made only after the subtractions have been made on lines 4(a) and (b).

Section 815(d)(5) provides that if any amount added to the policyholders' surplus account increases or creates a loss from operations and part or all of the loss cannot be used in any other year to reduce the company's taxable income, then the loss will reduce (as of the time the addition to the policyholders' surplus account) the policyholders' surplus account. The reduction from the account must be made after any addition and before any amounts are subtracted from the account. If the policyholders' surplus account has been adjusted under section 815(d)(5) and the balance at the end of the preceding year is different from the balance as of the beginning of the current year, attach a schedule showing adjustments to reconcile the preceding balance and current balance.

## SCHEDULE J.—Compensation of Officers

Complete columns 1 through 7, Schedule J for all officers. Complete column 8, Schedule J for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means: (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 8 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

The information is to be submitted by each member of an affiliated group included in a consolidated return.

## Tax Computation Instructions

**General.**—Section 802(a)(1) provides a normal tax and surtax on the life insurance company taxable income computed at the rates provided in section 11.

1. **Surtax exemption.**—In general, corporations are entitled to a surtax exemption of \$50,000. However, members of a controlled group are entitled to one \$50,000 surtax exemption which is to be divided equally unless the group consents to split up the exemption in accordance with an apportionment plan. Accordingly, for purposes of lines 5 and 7, members of a controlled group will enter one-half of their surtax exemption on line 5 and the remaining one-half on line 7. For example, if there are 5 members and they allocate the \$50,000 surtax exemption equally (i.e., \$10,000 each), each member will enter on line 5, one-half of \$10,000, i.e., \$5,000, and on line 7, the remaining one-half of the surtax exemption, i.e., \$5,000. See section 1561 and the regulations thereunder for the time and manner of making the consent.

2. **Credit for wages paid or incurred in Work Incentive (WIN) program.**—Employers may claim a credit of 20% of the salaries and wages paid or incurred for employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment. For special rules and limitations, see Form 4874 and sections 50A and 50B.

3. **Tax from recomputing a prior year WIN credit.**—If a WIN program employee is dismissed before completing a certain period of employment, the WIN credit previously taken on such employee may be subject to recapture. If so, you must repay (with certain exceptions) any tax credit previously taken on the salaries and wages paid or incurred for that employee. (See Form 4874.)

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

4. **Investment credit.**—In most cases, the investment credit rate is 10 percent for property acquired and placed in service during the taxable year. Corporations may elect an 11 percent credit for such property if one percent of the qualified investment is contributed to an employee stock ownership plan. Complete Form 5500 for each employee stock ownership plan and file it on or before the last day of the 7th month following the close of your taxable year.

The limit on the amount of used property eligible for the investment credit is \$100,000.

The investment credit also applies to progress payments made during the construction of property that requires at least two years to construct and that has an expected useful life of at least seven years. See Form 3468 for special rules and limitations.

5. **Tax from recomputing a prior year investment credit.**—If property is disposed of prior to the life-years category used in computing the investment credit, the credit must be recomputed using as the useful life the period the property was actually held. (For recomputations of the investment credit for qualified progress expenditures, see section 47(a)(3).) If the credit taken, including carrybacks and carryovers, exceeds the recomputed credit, the tax in the year of disposition must be increased by the excess. Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset

against the current year's investment credit.

6. **Foreign corporations.**—A foreign corporation carrying on an insurance business within the U.S. is taxable in the same manner as a domestic insurance company with respect to its income effectively connected with the conduct of a trade or business within the U.S. See section 842. Income from sources without the U.S. which is attributable to U.S. business is treated as effectively connected with the conduct of a trade or business within the U.S. For further definition of effectively connected income, see section 864(c).

Any other U.S. source income received by a foreign corporation not effectively connected with the conduct of a trade or business within the U.S. is taxed at a 30% (or lower treaty) rate. See section 881. If you have any such income, attach a schedule showing: the nature of the income; amount of income; rate of tax (30% or lower treaty rate); and amount of tax.

Where the surplus of a foreign life insurance company held in the U.S. is less than a specified minimum, an adjustment is required under section 819. When this minimum surplus adjustment is applicable, a reduction of tax imposed by section 881 is provided in section 819 (a)(3). Attach a statement showing the computation of reduction of section 881 tax and enter the net amount of the tax imposed by section 881 on line 17, page 1.

7. **Minimum tax on tax preference items.**—In general, more corporations will be liable for the minimum tax this year because the new law increased the minimum tax rate from 10 percent to 15 percent, and reduced the minimum tax exemption from \$30,000 plus the regular income taxes for the year to the greater of \$10,000 or the regular income taxes for the year.

The tax preference items are accelerated depreciation on real property; amortization of certified pollution control facilities; railroad rolling stock; on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

You must attach Form 4626 if you have items of tax preference of more than \$10,000 even if there is no minimum tax. OR if you have any minimum tax liability deferred from a prior taxable year until this year.

8. **Foreign tax credit.**—In general, effective for taxable years beginning after December 31, 1975, the per-country limitation cannot be used in computing the foreign tax credit. See Form 1118 for rules on how to compute the foreign tax credit.

9. **Possession tax credit.**—See Form 5712 for rules on how to elect to claim the new possession tax credit (section 936). Compute the credit on Form 5735 and include the amount of the credit in the total for line 15, page 1, Form 1120-L. Write in the margin next to the entry on line 15, the amount of the credit and identify it as being a section 936 credit.

U.S. Life Insurance Company  
Sales or Exchanges of Property

1976

Name \_\_\_\_\_ Employer identification number \_\_\_\_\_

Part I Capital Assets—Short-term capital gains and losses—Assets held 6 months or less

| a. Kind of property (if necessary, attach description) | b. Date acquired (mo., day, yr.) | c. Date sold (mo., day, yr.) | d. Gross sales price | e. Depreciation allowed (or allowable) | f. Cost or other basis and expense of sale | g. Gain or loss (d plus e less f) |
|--|----------------------------------|------------------------------|----------------------|--|--|-----------------------------------|
| 1  |                                  |                              |                      |  |  |                                   |
| 2  |                                  |                              |                      |  |  |                                   |
| 3  |                                  |                              |                      |  |  |                                   |

Long-term capital gains and losses—Assets held more than 6 months (Use columns a through k except that columns a through k must be used for gains on assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date.)

|   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| 4 |  |  |  |  |  |  |
| 5 |  |  |  |  |  |  |

| h. F.M.V. as of 12/31/58 | i. Adjusted basis as of 12/31/58 | j. Excess of column h over column i, if any | k. Gain (excess of column g over column j, but not less than zero) |
|--------------------------|----------------------------------|---|--|
|                          |                                  |   |  |
|                          |                                  |   |  |

6 Total of column k . . . . .  
7 Net long-term capital gain or (loss) (total of lines 5 and 6). Enter here and on line 9 . . . . .

Part II Summary of Capital Gains and Losses

| a. Loss   | b. Gain |
|---|---------|
| 8 Net short-term capital gain or (loss) from line 3 . . . . .   |         |
| 9 Net long-term capital gain or (loss) from line 7 . . . . .  |         |
| 10 Net short-term capital gain (line 8, column b) reduced by any net long-term capital loss (line 9, column a) (Enter here and on line 6, Schedule A, Form 1120L) . . . . .                                       |         |
| 11 Net long-term capital gain (line 9, column b) reduced by any net short-term capital loss (line 8, column a) (Enter here and on line 7, Schedule C, Form 1120L and on line 8, Schedule E, Form 1120L) . . . . . |         |

Part III Alternative Tax Computation

|   |  |
|---|--|
| 12 (a) Taxable investment income (line 1(a), page 1, Form 1120L) . . . . .  |  |
| (b) Less line 11 above . . . . .  |  |
| 13 (a) Gain from operations (line 1(b), page 1, Form 1120L) . . . . .   |  |
| (b) Less line 11 above . . . . .  |  |
| 14 Enter the smaller of line 12 or line 13, but not less than zero . . . . .  |  |
| 15 50% of the excess, if any, of line 13 over line 12 . . . . .   |  |
| 16 Amount subtracted from policyholders' surplus account (line 3, page 1, Form 1120L) . . . . .   |  |
| 17 Total of lines 14, 15, and 16 . . . . .  |  |
| 18 Enter line 17 or \$25,000, whichever is lesser. (Component members of a controlled group: see instructions) . . . . .  |  |
| 19 Line 17 less line 18 . . . . .   |  |
| 20 Enter line 19 or \$25,000, whichever is lesser. (Component members of a controlled group: see instructions) . . . . .  |  |
| 21 Line 19 less line 20 . . . . .   |  |
| 22 20% of line 18 . . . . .   |  |
| 23 22% of line 20 . . . . .   |  |
| 24 48% of line 21 . . . . .   |  |
| 25 30% of line 11 . . . . .   |  |
| 26 Alternative tax—Add lines 22, 23, 24, and 25. If applicable, enter here and on line 13, page 1, Form 1120L and write "Alt" in the margin to the right of the entry . . . . . |  |

Part IV Ordinary Gains and Losses (Use columns a through g except that columns a through k must be used for gains on assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date. Exclude any ordinary gain resulting from the sale of investment assets reported in column j, Part V and column q, Part VI. For investment assets, see instructions for Part I.)

| a. Kind of property (if necessary, attach description) | b. Date acquired (mo., day, yr.) | c. Date sold (mo., day, yr.) | d. Gross sales price | e. Depreciation allowed (or allowable) | f. Cost or other basis and expense of sale | g. Gain or loss (d plus e less f) |
|--|----------------------------------|------------------------------|----------------------|--|--|-----------------------------------|
| 27   |                                  |                              |                      |  |  |                                   |

28 Total of column g (where columns h through k are not required) . . . . .

| h. F.M.V. as of 12/31/58 | i. Adjusted basis as of 12/31/58 | j. Excess of column h over column i, if any | k. Gain (excess of column g over column j, but not less than zero) |
|--------------------------|----------------------------------|---|--|
|                          |                                  |   |  |
|                          |                                  |   |  |

29 Total of column k . . . . .  
30 Net ordinary gain or (loss) (total of lines 28 and 29). Enter here and include in total of line 11, Schedule E . . . . .

Part V Gain from Disposition of Depreciable Property and Certain Real Property Held More Than 6 Months—Section 1245 (Report gain from disposition of other depreciable real property in Part VI. For investment assets, see instructions for Part I.)

| a. Kind of property (if necessary, attach description) | b. Date acquired (mo., day, yr.) | c. Date sold (mo., day, yr.) | d. Gross sales price | e. Cost or other basis and expense of sale |
|--|----------------------------------|------------------------------|----------------------|--|
| 31   |                                  |                              |                      |  |

| f. Total depreciation allowed (or allowable) | g. Adjusted basis (e less f) | h. Total gain (d less g) | i. Depreciation allowed (or allowable) after applicable date (see instructions) | j. Ordinary gain (lesser of h or i) | k. Other gain (h less j) |
|--|------------------------------|--------------------------|---|-------------------------------------|--------------------------|
|  |                              |                          |   |                                     |                          |
|  |                              |                          |   |                                     |                          |

32 Total ordinary gain. Enter here and on line 27, and identify as gain from line 32 . . . . .  
33 Total other gain. Enter here and on line 37, and identify as gain from Part V. (If this amount includes any gain from casualty or theft, see instructions.) . . . . .

Part VI Gain from Disposition of Depreciable Real Property Held More Than 6 Months—Section 1250 (If held 1 year or less, see instructions for column i, l, and o. For investment assets, see instructions for Part I.)

| a. Kind of property (if necessary, attach description) | b. Date acquired (mo., day, yr.) | c. Date sold (mo., day, yr.) | d. Gross sales price | e. Cost or other basis and expense of sale | f. Total depreciation allowed (or allowable) |
|--|----------------------------------|------------------------------|----------------------|--|--|
| 34   |                                  |                              |                      |  |  |

| g. Adjusted basis (e less f) | h. Total gain (d less g) | i. Enter additional depreciation after 12/31/75 | j. Applicable percentage times the smaller of col. h or col. i (see instructions) | k. Enter excess, if any, of col. h over col. j (if no excess, omit cols. i through p and enter amounts from col. l on col. q) | l. Enter additional depreciation after 12/31/59 and before 1/1/75 |
|------------------------------|--------------------------|---|---|---|---|
|                              |                          |   |   |   |   |
|                              |                          |   |   |   |   |

| m. Applicable percentage times the smaller of col. k or col. l (see instructions) | n. Enter excess, if any, of col. k over col. l (if no excess, omit cols. o and p and enter amount from col. m on col. q) | o. Enter additional depreciation after 12/31/63 and before 1/1/70 | p. Applicable percentage times the smaller of col. n or col. o (see instructions) and enter result in col. q | q. Ordinary gain (sum of cols. j, n, and p) | r. Other gain (column h less column q) |
|---|--|---|--|---|--|
|   |  |   |  |   |  |
|   |  |   |  |   |  |

35 Total ordinary gain. Enter here and on line 27, and identify as gain from line 35 . . . . .  
36 Total other gain. Enter here and on line 37, and identify as gain from Part VI. (If this amount includes any gain from casualty or theft, see instructions.) . . . . .

Part VII Sale or Exchange of Property Used in Trade or Business and Involuntary Conversions—Section 1231

| a. Kind of property (if necessary, attach description) | b. Date acquired (mo., day, yr.) | c. Date sold (mo., day, yr.) | d. Gross sales price | e. Depreciation allowed (or allowable) | f. Cost or other basis and expense of sale | g. Gain or loss (d plus e less f) |
|--|----------------------------------|------------------------------|----------------------|--|--|-----------------------------------|
| 37   |                                  |                              |                      |  |  |                                   |

38 Total (If gain, enter on line 4; if loss, enter on line 27. Identify as gain or (loss) from Part VII.) . . . . .

## Instructions

(References are to the Internal Revenue Code.)

Every sale or exchange of property must be reported in detail even though no gain or loss results.

In general, all or part of the gain on a disposition of property may be required to be reported as ordinary income under the provisions of sections 1245, 1250 (see Parts V and VI), 1251, 1252, and 1254. The remainder of the gain may or may not be subject to capital gain treatment depending on the circumstances.

### Rules for Dispositions of Farm Property, Oil and Gas Property, Certain Involuntary Conversions, Options to Buy or Sell, and Gain from Sale of Depreciable Property Between Certain Related Taxpayers.

(1) **Farm property.**—Refer to sections 1251 and 1252 for the treatment of gains on disposition of certain farm property.

(2) **Oil and gas property.**—Refer to section 1254 for treatment of gains on disposition of oil and gas property.

(3) **Involuntary conversions.**—

(a) If gains from involuntary conversions arising from casualty or theft of property used in a trade or business or of any capital asset held more than six months equal or exceed the losses, the gains and losses are to be entered in Part VII and treated as section 1231 gains and losses along with gains and losses on dispositions of other section 1231 property. If the losses from such involuntary conversions exceed the gains, the gains and losses are to be entered in Part IV and treated as ordinary gains and losses. This applies to both insured and uninsured property.

(b) Gains from such involuntary conversions of property which is also section 1245 or 1250 property must first be reported in Part V or Part VI to determine how much gain is ordinary income. Any remaining gain (line 33, Part V, or line 36, Part VI) is included in the separate computation described in the above paragraph.

(4) **Options to buy or sell.**—For rules pertaining to the treatment of gain or loss in the case of a purchaser or that of a grantor of an option in the case of stock, securities, or commodities, see section 1234.

(5) **Gain from sale of depreciable property between certain related taxpayers may be subject to ordinary income.** See section 1239.

## PART I

**Capital assets.**—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except as provided in section 1221. However, see section 817(a)(2) which provides that the gains or losses from the sale or exchange of depreciable assets attributable to any trade or business (other than an insurance business) carried on by the life insurance company, such as renting various pieces of real estate or operating a radio station, a housing development, or a farm, will be treated as gains or losses from the sale or exchange of capital assets.

**Exchange of "like kind" property.**—Although no gain or loss is recognized when property held for productive use in a trade or business or for investment (not including stock in trade or other property held primarily for sale, nor stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest) is exchanged solely for property of a "like kind" to be held either for productive use in a trade or business or for investment, you must report the transaction in the appropriate part and identify

the property disposed of in column (e). Enter the date of acquisition in column (b) and write the date of exchange in column (c). Write "like kind exchange" in column (d) and enter the adjusted basis in column (f). Enter zero in column (g). (See section 1031.)

**Investment assets.**—Gains or losses from the sale or exchange of investment assets are treated as gains or losses from the sale or exchange of capital assets. (See above.) All sales of investment assets subject to sections 1245 and 1250 should be reported in Parts V and VI respectively, regardless of the length of time held. If held 6 months or less, the other gain reported in column k, Part V and column r, Part VI, should be entered on line 1, Part I and identified as gain from Part V or Part VI. If held more than 6 months, the other gain reported in column k, Part V and column r, Part VI, should be entered on line 4, Part I, and identified as gain from Part V or Part VI. Any amount included in column l, Part V and column q, Part VI as ordinary income from the sale of investment assets should be included in line 7, Schedule A.

**Column g.**—Except where section 817 is applicable, the gain or loss is the result of column d plus column e, less column f. Where section 817 is applicable, complete columns a through f and attach a schedule showing the method of computing the gain reported in column g. See instructions for "Basis."

**Columns h-k.**—These columns are to be used only in the event of gains on disposition of property if the F.M.V. of such property held on December 31, 1958 exceeded the adjusted basis for determining gain as of such date.

**Line 4.—(A) Col. a-g.** Enter the total of applicable items from Part VII and other long-term capital gains and losses (excluding the gains from those assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date).

**(B) Col. a-h.** Enter only the long-term capital gains of those assets whose F.M.V. on 12/31/58 exceeded the adjusted basis on that date.

**Capital losses.**—Capital losses are allowed only to the extent of capital gains. A net capital loss may be carried back three years and forward five as a short-term capital loss. However, the amount allowable as a capital loss carryback is subject to the limitations of section 1212(a)(1).

Under the provisions of section 6411, a quick refund of the tax overpayment created by the capital loss carryback may be obtained by filing Form 1139. If a net capital loss carryback creates an unused investment credit or an unused work incentive (WIN) credit in a preceding year, the unused credit may be carried back to the three preceding years, and, under the provisions of section 6411, a quick refund of the tax overpayment may likewise be obtained by filing Form 1139.

**Without securities.**—Except for banks, if securities which are capital assets become wholly worthless during the taxable year, the loss is to be treated as a capital loss as of the last day of the taxable year.

**Losses not allowable.**—No loss is allowed for wash sales of stock or securities. (See section 1091.) No loss is allowed (distributions in liquidation excepted) on transactions between related persons. (See section 267.)

**Long-term capital gains from regulated investment companies.**—Include in income as a long-term capital gain the amount the corporation has been notified constitutes its share of the undistributed capital gains of a regulated investment company.

**Short sales of capital assets.**—See section 1233 for rules for certain short sales of stock or other securities and transactions in commodity futures.

**Basis.**—The "basis" for certain property is not subject to the same rule for reporting gains as for losses.

(e) **Gain on property held on December 31, 1958.**—Section 817(b)(1), in effect, limits the amount of gain that is to be recognized on the sale or other disposition of certain property held by the company on December 31, 1958. This is accomplished by treating the gain on the sale or other disposition of such property as an amount (but not less than zero) equal to the amount by which the gain (determined without regard to section 817(b)(1)) exceeds the difference between the fair market value on December 31, 1958, and the adjusted basis (as provided in section 1016(a)) for determining gain as of such date. This limitation on the amount of gain recognized applies only if (1) the property was held by a life insurance company on December 31, 1958; (2) the fair market value of the property on December 31, 1958, is greater than the adjusted basis for determining gain as of that date; and (3) the taxpayer has been a life insurance company at all times on and after December 31, 1958, until the date of sale or other disposition of the property.

(b) **Certain substituted property acquired after December 31, 1958.**—See section 817(b)(2)(A) through (E) for certain rules for such property.

Section 817(b)(3) provides that the term "property" (for purposes of (a) and (b), above) does not include insurance and annuity contracts (and contracts supplementary thereto) and property described in section 1221(1) (relating to stock in trade or inventory-type property).

(c) **Property held on December 31, 1958, and certain substituted property acquired after December 31, 1958.**—Determining loss for property described in (a) and (b), above, the basis is cost adjusted as provided by section 1016.

(d) **Other property acquired after December 31, 1958.**—Where property, other than property described in (b) above, was purchased after December 31, 1958, the basis is cost, adjusted as provided in section 1016. Where property was acquired by bequest, gift, involuntary conversion, or wash sale of stock, see sections 1014, 1015, 1033, and 1091, respectively.

(e) **If a charitable contribution deduction is allowed by reason of the sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.**

## PART III

**Alternative tax.**—If the net long-term capital gain exceeds the net short-term capital loss, then, in place of the normal tax and surtax imposed upon taxable income, there is imposed an alternative tax (if the tax is less than the normal tax and surtax).

The alternative tax is the sum of (1) a partial tax computed at the normal tax and surtax rates on the taxable income determined by reducing the taxable investment income, and the gain from operations, by the amount of the excess of the net long-term capital gain over the net short-term capital loss, and (2) 30% of such excess.

## PART IV

**Ordinary gains and losses.**—(For investment assets, see instructions for Part I.) Include gains and losses from disposition or involuntary conversion of land and depreciable property held six months or less and gains and losses from compulsory or involuntary conversion of capital assets held six months or less.

If after grouping all section 1231 transactions the losses exceed the gains, report the net loss in Part IV as an ordinary loss.

If losses from involuntary conversions arising from casualty or theft of property used in a trade or business (as defined in section 1231) or of any capital asset held more than six months exceed the gains, enter the gains and losses in Part IV as ordinary gains and losses.

## PART V

**Gain from disposition of depreciable property and certain real property held more than six months.** (Section 1245).—(Report any gain from property held not more than six months in Part IV. For investment assets, see instructions for Part I.)

In general, when section 1245 property (as defined below) is disposed of, gain will be treated as ordinary income to the extent of depreciation allowed (or allowable) after 1961. Except for certain involuntary conversions referred to in section 1231, the balance of the gain, if any, is to be combined in Part VII with gains and losses from section 1231 property.

Section 1245 property is property which is depreciable (or subject to amortization under section 169 or section 185) and is either—

- (a) personal property,
- (b) elevators and escalators,
- (c) real property (other than property described in (d)) subject to amortization under section 169, 185, or 188, or
- (d) tangible real property (except buildings and their structural components) if used as an integral part of certain business activities or as a facility for research or as a facility for the bulk storage of fungible commodities (including commodities in a liquid or gaseous state) in connection with such activities. These business activities are manufacturing, production, extraction, or furnishing, transportation, communications or certain other public utility services.

See section 1245(b) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges, involuntary conversions, (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders, and (e) transfers to tax-exempt organization where property will be used in an unrelated business.

**Column l.**—Enter depreciation allowed (or allowable) after December 31, 1961. However, use June 30, 1963 for elevators and escalators and December 31, 1963 for livestock.

## PART VI

**Gain from disposition of depreciable real property held more than six months.** (Section 1250).—(Report any gain from such property held not more than six months in Part IV. For investment assets, see instructions in Part I.)

In general, when section 1250 property (as defined below) is disposed of, all or a portion of the "additional depreciation" will be treated as ordinary income. Except for certain involuntary conversions referred to in section 1231, the balance of gain, if any, is to be combined in Part VII with gains and losses from section 1231 property.

Section 1250 property is depreciable real property other than section 1245 property.

See section 1250(d) for exceptions and limitations involving: (a) disposition by gift, (b) certain tax-free transactions, (c) like kind exchanges, involuntary conversions, (d) sales or exchanges to effectuate FCC policies and exchanges to comply with SEC orders, (e) disposition of qualified low-income housing, (f) transfers to tax-exempt organization where property will be used in an unrelated business, and (g) property disposed of pursuant to foreclosure proceedings.

**Columns i, l, and o.** additional depreciation.—In the case of section 1250 property held one year or less, additional depreciation is the total amount of depreciation claimed. In such case, omit columns i thru p and enter in column q the lesser of the amount of gain (column h) or the total amount of depreciation claimed (column i).

For property held more than one year, additional depreciation is the excess of actual depreciation after December 31, 1963, over depreciation computed for the same period

using the straight line method. Enter in column l the additional depreciation for the period after December 31, 1975, in column m the additional depreciation for the period after December 31, 1969, and before January 1, 1976, and in column o the additional depreciation for the period after December 31, 1963, and before January 1, 1970.

For additional depreciation attributable to rehabilitation expenditures, see section 1250 (b)(4).

**Column j, applicable percentage.**—Enter 100 percent of column i in column j, except as follows:

(a) For section 1250 property on which a mortgage is insured under section 221(d)(3) or 236 of the National Housing Act, or housing financed or assisted by direct loan or tax abatement under similar provisions of State or local laws with respect to which the owner is subject to the restrictions in section 1039(b): (1)(B), the applicable percentage is 100 percent minus 1 percent for each full month the property was held over 100 full months;

(b) For dwelling units which, on the average, were held for occupancy by families or individuals eligible to receive subsidies under section 8 of the U.S. Housing Act of 1937, as amended, or under the provisions of State or local law authorizing similar levels of subsidy for lower income families, the applicable percentage is 100 percent minus 1 percent for each full month the property was held over 100 full months;

(c) For section 1250 property on which a loan is made or insured under title V of the Housing Act of 1949, the applicable percentage is 100 percent minus 1 percent for each full month the property was held over 100 full months; and

(d) For section 1250 property for which a depreciation deduction for rehabilitation expenditures was allowed under section 167(k), the applicable percentage is 100 percent minus 1 percent for each full month over 100 full months after the date the property was placed in service.

In the case of a building (or a portion of a building devoted to dwelling units), if on the average, 85 percent or more of the dwelling units contained in such building (or portion thereof) are units described in paragraph (b), such building (or portion thereof) shall be treated as property described in paragraph (b).

Items (a), (b), and (c) shall not apply with respect to the additional depreciation described in section 1250(b)(4).

**Column m, applicable percentage.**—Enter 100 percent of column i in column m, except as follows:

(a) For section 1250 property disposed of under a written contract that was, on July 24, 1969, and thereafter, binding on the property owner, the applicable percentage is 100 percent minus 1 percent for each full month the property was held over 20 full months;

(b) For section 1250 property on which a mortgage is insured under section 221(d)(3) or 236 of the National Housing Act, or housing financed or assisted by direct loan or tax abatement under similar State or local laws, and on which the owner is subject to the restrictions described in section 1039(b)(1)(B), the applicable percentage is 100 percent minus 1 percent for each full month the property was held over 20 full months;

(c) For residential rental property (as defined in section 167(d)(2)(B)) other than that covered by (a) and (b) above, the applicable percentage is 100 percent minus 1 percent for each full month the property was held over 100 full months;

(d) For section 1250 property for which a depreciation deduction for rehabilitation ex-

penses was allowed under section 167(k), the applicable percentage is 100 percent minus 1 percent for each full month over 100 full months after the date the property was placed in service.

Items (a), (b), and (c) shall not apply with respect to the additional depreciation described in section 1250(b)(4).

**Column p, applicable percentage.**—The applicable percentage is 100% minus 1 percentage point for each full month the property was held over the date it was held over 20 full months.

## PART VII

**Sale or exchange of property used in trade or business and involuntary conversion.** (Section 1231).—Section 1231 provides special treatment for the recognized gains and losses on the sale or exchange of "property used in the trade or business" and upon the compulsory or involuntary conversion of (1) such property and (2) capital assets held more than six months.

Note: Refer to page 3 for rules for involuntary conversions resulting from casualty or theft.

After determining in Parts V and VI how much of the total gain from disposition of depreciable property is ordinary gain, combine the total other gain with other gains and losses from section 1231 property to determine if there is a net gain or net loss. The total shown on line 38 determines whether the items reflected therein represent a long-term capital gain or an ordinary loss. This total must be entered on line 4 or line 27, whichever is applicable.

In determining whether gains exceed losses, include the gains and losses to the extent they would be included if they were all ordinary gains and losses. The limitation of section 1211 on the deductibility of capital losses does not apply.

Section 817(a) provides that in applying section 1231(a), the term "property used in the trade or business" shall be treated as including only (1) property used in carrying on an insurance business, which is subject to depreciation provided in section 167 and held for more than 6 months (including real property but excluding (a) inventoriable property or property held primarily for sale to customers, and (b) certain copyrights; literary, musical or artistic compositions; letters or memoranda; or similar property); and (2) timber, coal, and domestic iron ore to which section 631 applies.

The total shown on line 38, page 2, determines whether the items reflected therein represent a long-term capital gain or an ordinary loss. In either case, after the initial determination, the items must be segregated into (1) assets held on December 31, 1958, where the F.M.V. exceeded the adjusted basis on that date, and (2) other. Enter the totals into the appropriate schedules of Part I or Part IV.

Line 37.—Enter each section 1231 item not carried over from line 31.

Line 38.—Enter the net gain or loss of the section 1231 items described in Part VII.

Minimum tax on tax preference items.—If the net long-term capital gain exceeds the net short-term capital loss, you may be liable for minimum tax. See Form 4626.

**Members of a controlled group under section 1561.**—For members of a controlled group, the \$50,000 surtax exemption is to be divided equally unless the group consents to split up the exemption in accordance with an apportionment plan. Accordingly, for purposes of lines 18 and 20, members of a controlled group will enter one-half of their surtax exemption on line 18 and the remaining one-half on line 20. For example, if there are 5 members and they allocate the \$50,000 surtax exemption equally (i.e., \$10,000 each), each member will enter on line 18, one-half of \$10,000, i.e., \$5,000, and on line 20, the remaining one-half of the surtax exemption, i.e., \$5,000. See section 1561 and the regulations thereunder for the time and manner of making the consent.

**Form 1120M** **U.S. Mutual Insurance Company** **FOR CALENDAR YEAR 1976**  
 Department of the Treasury (For Mutual Companies Other Than Life and Certain Marine Insurance Companies and Other Than Fire or Flood Insurance Companies That Operate on a Basis of Perpetual Policies or Premium Deposits)

Name \_\_\_\_\_ A Employer identification number \_\_\_\_\_  
 Number and street \_\_\_\_\_ B Date incorporated \_\_\_\_\_  
 City or town, State, and ZIP code \_\_\_\_\_ C Place incorporated \_\_\_\_\_

**D** Did you previously submit a copy of the annual statement for the preceding year as required by General Instruction I? If "Yes," name the Internal Revenue Service Center where filed \_\_\_\_\_ **Yes** **No** \_\_\_\_\_

**E** Does a copy of the 1976 annual statement accompany this return? If "No," explain why the statement is not attached \_\_\_\_\_ **Yes** **No** \_\_\_\_\_

**F** Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c)(2))? \_\_\_\_\_ **Yes** **No** \_\_\_\_\_

If the answer is "Yes," attach a schedule showing: (a) name, address, and employer identification number; and (b) percentage owned \_\_\_\_\_

**G** Were you a U.S. shareholder of any controlled foreign corporation (see sections 951 and 957)? \_\_\_\_\_ **Yes** **No** \_\_\_\_\_

If "Yes," attach Form 346 for each such corporation \_\_\_\_\_

**H** Did you claim a deduction for expenses connected with: (1) Entertainment facility (boat, resort, ranch, etc.)? \_\_\_\_\_ **Yes** **No** \_\_\_\_\_  
 (2) Living accommodations (except for employees on business)? \_\_\_\_\_ **Yes** **No** \_\_\_\_\_

**TAXABLE INCOME**

1 Taxable investment income or (loss) (Schedule A) \_\_\_\_\_ 1  
 2 Statutory underwriting income or (loss) (Schedule B) \_\_\_\_\_ 2  
 3 Amounts subtracted from the Protection Against Loss Account (line 9(d), Schedule C) \_\_\_\_\_ 3  
 4 Total (add lines 1 through 3) \_\_\_\_\_ 4  
 5 Less: Unused loss deduction (attach schedule) \_\_\_\_\_ 5  
 6 Mutual insurance company taxable income \_\_\_\_\_ 6  
 7 Enter the lesser of (a) or (b): (a) 20% of the first \$25,000 of taxable income on line 6, PLUS 22% of amount by which line 6 exceeds \$25,000; or (b) 44% of amount by which line 6 exceeds \$6,000 \_\_\_\_\_ 7  
 8 Surtax: 26% of [(amount by which line 6 exceeds \$50,000—members of a controlled group, see instructions) and amount \$ \_\_\_\_\_, to be included by reciprocal—see instructions] \_\_\_\_\_ 8  
 9 Total (line 7 plus line 8) \_\_\_\_\_ 9  
 10 Alternative tax for certain small companies (line 6, Schedule A-2) \_\_\_\_\_ 10

**TAX COMPUTATION**

11 Income tax—line 9 or 10 above, or line 21 of separate Schedule D (Form 1120), whichever applies \_\_\_\_\_ 11  
 12 (a) Foreign tax credit (attach Form 1118) \_\_\_\_\_ 12a  
 (b) Investment credit (attach Form 3468) \_\_\_\_\_ 12b  
 (c) Work incentive (WIN) credit (attach Form 4874) \_\_\_\_\_ 12c  
 13 Total of lines 12(a), (b), and (c) \_\_\_\_\_ 13  
 14 Line 11 less line 13 \_\_\_\_\_ 14  
 15 Foreign Corporations—tax on income not connected with U.S. business (see instructions) \_\_\_\_\_ 15  
 16 Tax from recomputing a prior year investment credit (attach Form 4255) \_\_\_\_\_ 16  
 17 Tax from recomputing a prior year WIN credit (see instructions—attach computation) \_\_\_\_\_ 17  
 18 Minimum tax on tax preference items (see instructions—attach Form 4626) \_\_\_\_\_ 18  
 19 Total tax (add lines 14 through 18) \_\_\_\_\_ 19  
 20 Credits: (a) Overpayment from 1975 allowed as a credit \_\_\_\_\_  
 (b) 1976 estimated tax payments \_\_\_\_\_  
 (c) Less refund of 1976 estimated tax applied for on Form 4466 \_\_\_\_\_  
 (d) Tax deposited with Form 7004 (attach copy) \_\_\_\_\_  
 (e) Tax deposited with Form 7005 (attach copy) \_\_\_\_\_  
 (f) Credit from regulated investment companies (attach Form 2439) \_\_\_\_\_  
 (g) Credit by reciprocal for tax paid by attorney-in-fact under section 826(e) \_\_\_\_\_  
 (h) Other tax credits (see instructions) \_\_\_\_\_  
 21 TAX DUE (line 19 less line 20). See instruction G for depositary method of payment \_\_\_\_\_ 21  
 22 OVERPAYMENT (line 20 less line 19) \_\_\_\_\_ 22  
 23 Enter amount of line 22 you want credited to 1977 estimated tax \_\_\_\_\_ 23  
 Refunded \_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Date \_\_\_\_\_ Signature of officer \_\_\_\_\_ Preparer's signature (and employer's name, if any) \_\_\_\_\_ Date \_\_\_\_\_  
 Title \_\_\_\_\_ Identifying number (see instructions) \_\_\_\_\_ Address and ZIP Code \_\_\_\_\_

Form 1120M (1976)

Page 2

**Schedule A Taxable Investment Income or (Loss)—Section 822**

|  | 1. Interest received | 2. Amortization of premium | 3. Total (Column 1 less column 2) |
|--|----------------------|----------------------------|-----------------------------------|
| <b>1</b> Interest on:  |                      |                            |                                   |
| (a) Wholly exempt obligations (attach schedule) . . . . .  |                      |                            |                                   |
| (b) U.S. obligations . . . . .   |                      |                            |                                   |
| (c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc. . . . .  |                      |                            |                                   |
| (d) Totals . . . . .   |                      |                            |                                   |
| <b>2</b> Dividends (Schedule E, Part I) . . . . .  |                      |                            |                                   |
| <b>3</b> Gross rents (attach schedule) . . . . .   |                      |                            |                                   |
| <b>4</b> Gross royalties (attach schedule) . . . . .   |                      |                            |                                   |
| <b>5</b> Gross income from trade or business other than insurance business . . . . .                                     |                      |                            |                                   |
| <b>6</b> Leases, etc. . . . .  |                      |                            |                                   |
| <b>7</b> Total (add lines 1 through 6) . . . . .   |                      |                            |                                   |
| <b>8</b> Gain from separate Schedule D (Form 1120) and/or Form 4797 . . . . .  |                      |                            |                                   |
| <b>9</b> Gross investment income (add lines 7 and 8) . . . . .   |                      |                            |                                   |
| <b>10</b> Interest wholly exempt from tax (line 1(a), column 3) . . . . .  |                      |                            |                                   |
| <b>11</b> Investment expenses (attach schedule) . . . . .  |                      |                            |                                   |
| <b>12</b> Taxes . . . . .  |                      |                            |                                   |
| <b>13</b> Real estate expenses . . . . .   |                      |                            |                                   |
| <b>14</b> Depreciation (line 3, Schedule F—see instructions) . . . . .   |                      |                            |                                   |
| <b>15</b> Depletion (attach schedule) . . . . .  |                      |                            |                                   |
| <b>16</b> Trade or business deductions as provided in section 822(c)(8) (attach schedule) . . . . .                      |                      |                            |                                   |
| <b>17</b> Interest paid or accrued . . . . .   |                      |                            |                                   |
| <b>18</b> Other capital losses (Schedule A-3) . . . . .  |                      |                            |                                   |
| <b>19</b> Total deductions (add lines 10 through 18) . . . . .   |                      |                            |                                   |
| <b>20</b> Line 9 less line 19 . . . . .  |                      |                            |                                   |
| <b>21</b> Less: Dividends-received deduction (line 6, Part II, Schedule E—see instructions for 85% limitation) . . . . . |                      |                            |                                   |
| <b>22</b> Taxable investment income or (loss) . . . . .  |                      |                            |                                   |

**Schedule A-1 Invested Assets Book Values**

(Schedule need not be filled in if no deduction is claimed for any general expenses that are allocated to investment income.)

|   | 1. Beginning of taxable year | 2. End of taxable year |
|---|------------------------------|------------------------|
| <b>1</b> Real estate . . . . .  |                              |                        |
| <b>2</b> Mortgage loans . . . . .   |                              |                        |
| <b>3</b> Collateral loans . . . . .   |                              |                        |
| <b>4</b> Policy loans, including premium notes . . . . .  |                              |                        |
| <b>5</b> Bonds of domestic corporations . . . . .   |                              |                        |
| <b>6</b> Stock of domestic corporations . . . . .   |                              |                        |
| <b>7</b> Government obligations, etc. (attach schedule) . . . . .                                     |                              |                        |
| <b>8</b> Bank deposits bearing interest . . . . .   |                              |                        |
| <b>9</b> Other interest-bearing assets (attach schedule) . . . . .                                    |                              |                        |
| <b>10</b> Totals of lines 1 through 9 . . . . .   |                              |                        |
| <b>11</b> Total of columns 1 and 2, line 10 . . . . .   |                              |                        |
| <b>12</b> Mean of the invested assets for the taxable year (one-half of line 11) . . . . .            |                              |                        |
| <b>13</b> One-fourth of 1% of line 12 . . . . .   |                              |                        |
| <b>14</b> Income base (line 9, Schedule A, less the sum of lines 12 through 18, Schedule A) . . . . . |                              |                        |
| <b>15</b> 3 3/4% of line 12 . . . . .   |                              |                        |
| <b>16</b> Line 14 less line 15 (but not less than zero) . . . . .                                     |                              |                        |
| <b>17</b> One-fourth of line 16 . . . . .   |                              |                        |
| <b>18</b> Limit on deduction for investment expenses (line 13 plus line 17) . . . . .                 |                              |                        |

**Schedule A-2 Alternative Tax for Certain Small Companies—Section 821(c)**

|  |  |
|--|--|
| <b>1</b> Taxable investment income (line 22, Schedule A) . . . . .   | <b>5</b> (a) Amount from line 7, Schedule A . . . . .  |
| <b>2</b> Normal tax—the lesser of (a) or (b):<br>(a) 20% of the first \$25,000 on line 1, PLUS 22% of amount by which line 1 exceeds \$25,000; or<br>(b) 44% of amount by which line 1 exceeds \$3,000 . . . . . | <b>(b)</b> Premiums (see instructions) . . . . .<br><b>(c)</b> Total of (a) plus (b) (If \$150,000 or less, enter zero. If \$250,000 or more, enter \$250,000) . . . . . |
| <b>3</b> Surtax: 26% of (line 1 minus the lesser of \$50,000 or amount apportioned under section 1561) . . . . .   | <b>(d)</b> . . . . .   |
| <b>4</b> Total (add lesser of lines 2(a) or (b) to line 3) . . . . .   | <b>(e)</b> Excess of line (c) over (d) . . . . .   |
|  | <b>6</b> Amount on line 4 multiplied by line 5(e) divided by \$100,000 . . . . .   |

**Schedule A-3 Other Capital Losses (See Instructions)** (Capital assets sold or exchanged to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders)

|   |  |  |
|---|--|--|
| 1 | Dividends and similar distributions paid to policyholders                                |  |
| 2 | Losses paid  |  |
| 3 | Expenses paid  |  |
| 4 | Total of lines 1 through 3   |  |
| 5 | Interest received (line 1, col. 3, Sch. A, adjusted to cash method if on accrual method) |  |
| 6 | Dividends received (Part I, Schedule E, adjusted to cash method if on accrual method)    |  |
| 7 | Lines 3 through 6 of Schedule A (adjusted to cash method if on accrual method)           |  |
| 8 | Net premiums received (adjusted to cash method if on accrual method)                     |  |
| 9 | Excess (if any) of line 4 over the sum of lines 5 through 8                              |  |

[illegible]**Schedule B** Statutory Underwriting Income or (Loss)—Section 823

|   |  |  |  |
|---|--|--|--|
| 1 | Gross income (line 6, Schedule B-1) . . . . .                          |  |  |
| 2 | Less: Gross investment income (line 9, Schedule A) . . . . .           |  |  |
| 3 | Deductions (line 26, Schedule B-1) . . . . .                           |  |  |
| 4 | Less: The sum of: (a) Line 19, Schedule A . . . . .                    |  |  |
|   | (b) Line 21, Schedule A . . . . .                                      |  |  |
| 5 | Line 2 less line 4 . . . . .   |  |  |
| 6 | Special deduction (Schedule B-2) (not to exceed line 5) . . . . .      |  |  |
| 7 | Line 5 less line 6 . . . . .   |  |  |
| 8 | Protection against loss deduction (Schedule B-3) . . . . .             |  |  |
| 9 | Statutory underwriting income or (loss) (line 7 less line 8) . . . . . |  |  |

**Schedule B-1** Income and Deductions

|              |   |  |  |  |
|--------------|---|--|--|--|
| GROSS INCOME | 1 | Investment income—Section 832(b)(2): (a) Interest  |  |  |
|              |   | (b) Dividends (Part I, Schedule E)   |  |  |
|              |   | (c) Rents (attach schedule)  |  |  |
|              | 2 | Premiums earned—Section 832(b)(4)  |  |  |
|              | 3 | Gain from sale or other disposition of capital assets—Section 832(b)(1)(B) (separate Schedule D (Form 1120)) |  |  |
|              |   | (b) Ordinary gain from Form 4797 (attach Form 4797)  |  |  |
|              | 4 | Other income—Section 832(b)(1)(C) (attach schedule)  |  |  |
|              |   | 5  | Decrease in subscriber accounts—Section 823(b)(2)(B) |  |
|              |   | 6  | Gross income (add lines 1 through 5)                 |  |

|    |  |  |
|----|--|--|
| 7  | Salaries and wages—Section 832(c)(1)   |  |
| 8  | Rents—Section 832(c)(1)  |  |
| 9  | Interest—Section 832(c)(2)   |  |
| 10 | Taxes—Section 832(c)(3) (attach schedule)  |  |
| 11 | Losses incurred on insurance contracts—Section 832(c)(4)   |  |
| 12 | Capital losses—Section 832(c)(5) (separate Schedule D Form 1120)   |  |
| 13 | Other capital losses—Section 832(c)(5) (Schedule A-3)  |  |
| 14 | Worthless agency balances and bills receivable—Section 832(c)(6)   |  |
| 15 | Interest (excluded under section 103)—Section 832(c)(7)  |  |
| 16 | Depreciation—Section 832(c)(8) (line 6, Schedule F)  |  |
| 17 | Depletion—Section 832(c)(8) (attach schedule)  |  |
| 18 | Contributions—Section 832(c)(9) (not over 5% of line 24 adjusted per instructions—attach schedule)   |  |
| 19 | Dividends paid or declared to policyholders—Section 832(c)(11)   |  |
| 20 | Increase in subscriber accounts—Section 823(b)(2)(A)   |  |
| 21 | (a) Pension, profit-sharing, etc. plans—Section 832(c)(10) (see instructions) (enter number of plans ▶ _____)<br>(b) Employee benefit programs—Section 832(c)(10) (see instructions) |  |
| 22 | Other deductions—Section 832(c)(10) (attach schedule)  |  |
| 23 | Total deductions on lines 7 through 22   |  |
| 24 | Line 6 less line 23  |  |
| 25 | Dividends-received deduction—Section 832(c)(12) (line 6, Part II, Schedule E—see instructions for 85% limitation)  |  |
| 26 | Total deductions (line 23 plus line 25)  |  |

|   |   |  |
|---|---|--|
| 1 | Amount from line 7, Schedule A  |  |
| 2 | Premiums (see instructions)   |  |
| 3 | Total (add lines 1 and 2)   |  |
| 4 | If line 3 is not more than \$500,000, enter \$6,000. If line 3 is less than \$1,100,000, but in excess of \$500,000, enter 1% of the difference between \$1,100,000 and the amount on line 3. |  |

**Schedule B-3** Protection Against Loss Deduction—Section 824(a)

|     |  |  |     |
|-----|--|--|-----|
| 1   | Losses incurred on insurance contracts (line 11, Schedule B-1)   |  |     |
| 2   | 1% of line 1   |  |     |
| 3   | 25% of underwriting gain on line 7, Schedule B   |  |     |
| 4   | Concentrated risks: (a) Amount of line 2, Schedule B-1   |  |     |
|     | (b) Amount of line (a) attributable to losses arising either in any one State or within 200 miles of any fixed point selected by the taxpayer, from windstorm, hail, flood, earthquake, or similar hazards |  |     |
| (c) | Divide (b) by (a)  |  | %   |
| (d) | Less   |  | 40% |
| (e) | Premium percentage which exceeds 40%   |  | %   |
| (f) | Line 7, Schedule B, multiplied by (e)  |  |     |
| 5   | Total (add lines 2 through 4)  |  |     |

|                   |  |
|-------------------|--|
| <b>Schedule C</b> | <b>Protection Against<br/>Loss Account</b> |
|-------------------|--|

| LOSS ACCOUNT   |  | GAIN ACCOUNT |  |
|--|--|--------------|--|
| 1 Balance at beginning of year . . . . .                   |  |              |  |
| 2 Additions (Schedule B-3) . . . . .                       |  |              |  |
| 3 Totals (add lines 1 and 2) . . . . .                     |  |              |  |
| <b>SUBTRACTIONS:</b>                                       |  |              |  |
| 4 Section 824(d)(1)(A) . . . . .                           |  |              |  |
| 5 Section 824(d)(1)(B) . . . . .                           |  |              |  |
| 6 Section 824(d)(1)(C) . . . . .                           |  |              |  |
| 7 Section 824(d)(1)(D) . . . . .                           |  |              |  |
| 8 Section 824(d)(1)(E) . . . . .                           |  |              |  |
| 9 Totals (add lines 4 through 8) . . . . .                 |  |              |  |
| 10 Balances at end of year (line 3, less line 9) . . . . . |  |              |  |

**Schedule E Dividends (See instructions)**

| PART I—Income                                    |  | PART II—Deductions                                      |  |
|--|--|---|--|
| 1 Certain domestic corporations . . . . .        |  | 1 85% of line 1, Part I . . . . .                       |  |
| 2 Certain public utility corporations . . . . .  |  | 2 60.208% of line 2, Part I . . . . .                   |  |
| 3 Certain foreign corporations . . . . .         |  | 3 85% (see instr. for 100%) of line 3, Part I . . . . . |  |
| 4 Certain affiliated groups . . . . .            |  | 4 Total (see instructions for 85% limitation) . . . . . |  |
| 5 Other corporations (attach schedule) . . . . . |  | 5 100% of line 4, Part I . . . . .                      |  |
| 6 Total (add lines 1 through 5) . . . . .        |  | 6 Total (line 4 plus line 5) . . . . .                  |  |

## Schedule F Depreciation (See instructions)

Check box(es) if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System. See Publication 534.

| 1. Group and guideline class or description of property               | 2. Date acquired | 3. Cost or other basis | 4. Depreciation allowed or allowable in prior years | 5. Method of computing depreciation | 6. Life or rate | 7. Depreciation for this year |
|---|------------------|------------------------|---|-------------------------------------|-----------------|-------------------------------|
| 1 Depreciation from Form 4832 . . . . .                               | . . . . .        |                        |   |                                     |                 |                               |
| 2 Depreciation from Form 5006 . . . . .                               | . . . . .        |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
| 3 Total amount to be entered on line 14, Schedule A, page 2 . . . . . |                  |                        |   |                                     |                 |                               |
| 4 Depreciation from Form 4832 . . . . .                               |                  |                        |   |                                     |                 |                               |
| 5 Depreciation from Form 5006 . . . . .                               |                  |                        |   |                                     |                 |                               |
|   |                  |                        |   |                                     |                 |                               |
| 6 Total—enter on line 16, Schedule B-1, page 3 . . . . .              |                  |                        |   |                                     |                 |                               |

**Schedule G Compensation of Officers (See instructions)**

| 1. Name of officer             | 2. Social security number | 3. Title | 4. Time devoted to business | 5. Amount of compensation | 6. Expense acco. allowances |
|--------------------------------|---------------------------|----------|-----------------------------|---------------------------|-----------------------------|
|                                |                           |          |                             |                           |                             |
|                                |                           |          |                             |                           |                             |
|                                |                           |          |                             |                           |                             |
|                                |                           |          |                             |                           |                             |
| Total compensation of officers |                           |          |                             |                           |                             |

# 1976 Department of the Treasury Internal Revenue Service Instructions for Form 1120M U.S. Mutual Insurance Company Income Tax Return

(References are to the Internal Revenue Code.)

Note: The Tax Reform Act of 1976 reduced the normal tax rates for a Mutual Insurance Company effective for taxable years ending after December 31, 1974. If you have filed the 1975 return under the higher rates, you may be entitled to a refund. An amended return should be filed reflecting the change.

**New Contiguous Branch Account.**—Effective for taxable years beginning after 1975, if a proper election (see section 819A(g)) is made, a domestic Mutual Life Insurance Company may establish a separate branch of a U.S. mutual life insurance company operating in a contiguous country (Mexico or Canada).

The separate branch account must include the various items of income, exclusion, deduction, asset, reserve, liability, and surplus items properly attributable to the contracts issued by the contiguous country branch. (See section 819A.)

Establishing a contiguous country life insurance branch may result in a taxable gain to the domestic life insurance company. See section 819A(d).

## General Instructions

**A. Who must file Form 1120M.**—Every domestic mutual insurance company (except a life insurance company subject to tax under section 802 and other than a fire, flood, or marine insurance company subject to tax under section 831) and every foreign corporation carrying on an insurance business within the U.S. (if with respect to its U.S. business it would qualify as a mutual insurance company subject to tax under section 821) must file Form 1120M.

**Exceptions.**—(a) Certain mutual insurance companies exempt under section 501(c)(15). (See Form 990.)

(b) A mutual insurance company subject to tax under section 821, which disposes of its insurance business and reserves or otherwise ceases to be entitled to be taxed under section 821, but continues its corporate existence for the purpose of winding up and liquidating its affairs. (See Form 1120.)

**B. Information returns and forms that may be required.**—

1. Forms W-2 and W-3.—Employee's wage and tax statement; and transmittal of income and tax statements.

2. Form W-2P.—Statement for recipients of annuities, pensions or retired pay.

3. Forms 1087-DIV, INT, MED, MISC, and OID.—Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received as a nominee on behalf of another person.

4. Form 1096.—Annual summary and transmittal of U.S. information returns.

5. Form 5452.—Corporate report of nontaxable dividends.

6. Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

7. Forms 1099—DIV, INT, MED, MISC, OID, PATR, and R.—Information returns for reporting certain dividends, interest income, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and lump-sum distributions from profit-sharing and retirement plans.

**C. Period covered.**—This return is for calendar year 1976. (Section 843.) If the company ceases to exist, write "FINAL RETURN" at the top of the form.

**D. Accounting methods.**—Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first obtaining consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—The money items may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

## E. Where to file.—

If the corporation's principal business, office, or agency is located in Use this address

|   |   |
|---|---|
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester  | Internal Revenue Service Center<br>1040 Waverly Avenue<br>Holtville, N.Y. 11799         |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont                                | Internal Revenue Service Center<br>310 Lowell Street<br>Andover, Mass. 01812            |
| Alabama, Florida, Georgia, Mississippi, South Carolina  | Internal Revenue Service Center<br>4800 Buford Highway<br>Chamblee, Georgia 30006       |
| Michigan, Ohio  | Internal Revenue Service Center<br>Cincinnati, Ohio 45298                               |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas  | Internal Revenue Service Center<br>3651 S. Interregional Highway<br>Austin, Texas 78740 |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Internal Revenue Service Center<br>1160 West 1200 South<br>Ogden, Utah 84201            |
| Illinois, Iowa, Missouri, Wisconsin   | Internal Revenue Service Center<br>2306 E. Cass Street<br>Kansas City, Mo. 64170        |
| California, Hawaii  | Internal Revenue Service Center<br>5045 East Butler Avenue<br>Fresno, California 93788  |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia   | Internal Revenue Service Center<br>2131 Democrat Road<br>Memphis, Tennessee 38110       |
| Delaware, District of Columbia, Maryland, Pennsylvania  | Internal Revenue Service Center<br>11601 Roosevelt Boulevard<br>Philadelphia, Pa. 19155 |

Foreign corporations carrying on an insurance business within the U.S. must file their returns with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation that keeps all the books and records is located.

**F. When to file.**—The return must be filed on or before March 15, 1977.

You may request an automatic 3-month extension of time to file Form 1120M by filing Form 7004.

Form 7005 may be used to request an additional extension but only by corporations that have previously obtained an automatic 3-month extension by filing Form 7004.

**G. Depositary method of tax payment.**—The balance of tax due (line 21) must be paid in full when the return is filed or in two installments, 50% on or before March 15, 1977 and 50% on or before June 15, 1977.

All corporation income tax payments and estimated income tax payments must be deposited with an authorized commercial bank depository or Federal Reserve Bank, with a Federal Tax Deposit Form preinscribed with a Tax Class Number 503, in accordance with instructions appearing on the reverse of that form. Each deposit must be accompanied by a Federal Tax Deposit Form preinscribed with a Tax Class Number 503. Do not remit directly to Internal Revenue. Records of deposits will be sent to Internal Revenue for crediting to the corporation's account.

Timeliness of deposits will be determined by the date the deposit was recorded as received by the commercial bank depository or Federal Reserve Bank.

Federal Tax Deposit Forms preinscribed with a Tax Class Number 503 will be mailed to corporations on a cyclical basis depending on the taxable year of the corporation. Corporations needing such deposit forms may obtain them from the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

**Estimated tax.**—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

Form 1120-W may be used as a worksheet to compute estimated tax. If you overpaid estimated tax, you may apply on Form 4466 for a "quick refund" if the overpayment is (1) at least 10% of your expected income tax liability AND (2) at least \$500. This application must be made within 2½ months after the end of the taxable year and before you file your tax return.

**H. Stock ownership in foreign corporations.**—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you control a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

**I. Annual statement.**—A copy of the annual statement for mutual insurance companies adopted by the National Association of Insurance Commissioners for the year 1976, as filed with the Insurance Department of the State or District of Columbia, together with copies of Schedule A (real estate) and Schedule D (bonds and stocks) must accompany the return (see section 1.6012-2(c) of the regulations).

Similar copies for the preceding year must also be furnished, if not already filed for such year.

If you use miniature statements, they may be filed instead of the larger statements.

**J. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return he is required to file on behalf of a corporation.

If the person who prepares the return for pay is not an employee of a firm, corporation or another individual, then that person must sign the return as preparer and enter his or her social security number and address. If the person who prepares the return for pay is an employee of a firm, corporation or another individual, then that person must sign the return and enter the employer's name, identification number, and address. If prepared by the taxpayer's regular, full-time employee, such as a clerk, secretary, or bookkeeper, the employee does not have to sign.

**K. Attachments.**—If more space is needed on forms or schedules, attach separate sheets and use the same arrangement as the printed forms. Be sure to put the taxpayer's name and employer identification number on these separate sheets.

## L. Penalties.—

1. A corporation that fails to file its tax return by the prescribed due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25% for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

3. A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment (section 6655) at a rate pursuant to section 6621.

If you underpaid estimated tax and believe a penalty charge should not be assessed, attach Form 2220.

**M. Foreign bank, securities and other financial accounts, and grantors, transferees or beneficiaries of foreign trusts.**—Form 4683 must be completed by a person:

1. who had any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution), or

2. who was the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not that person has any beneficial interest in such trust.

Please note that this year Form 4683 must be filed by taxpayers having any interest in a foreign trust. In prior years this form was required to report an interest in a trust only if the interest was more than a 50% interest.

**N. Employer identification number.**—Enter the employer identification number (EIN) assigned to the corporation.

Corporations who do not have an EIN should apply for one on Form SS-4, available from any IRS or Social Security Administration office. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120-M is sent.

## O. Reporting international boycott operations.—

Any corporation, or a member of a controlled group which includes that corporation, or a corporation which is a United States shareholder of a foreign corporation, which has operations in, or related to, a country (or with the government, a company, or a national of a country) which requires participation in or cooperation with an international boycott as a condition of doing business within such country or with the government, company, or national of such country, may be required to file Form 5713 (see section 999(a)).

Further, if that corporation, member or United States shareholder, participates in or cooperates with an international boycott, (as defined in section 999(b)(3)) during the taxable year, a portion of the foreign tax credit, the deferral of earnings of foreign subsidiaries, and DISC benefits will be denied. Any corporation subject to the reporting requirements of section 999(a), as outlined above, is required to file Form 5713 in duplicate. The original copy is to be filed with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

The duplicate copy of Form 5713 is to be attached to the corporation's income tax return.

## Specific Instructions

(Numbered to correspond with the line numbers on the return.)

### For Page 1 of Return

**5. Unused loss deduction.**—The amount of the deduction is the total of the unused loss carryovers and carrybacks to the taxable year.

**Unused loss.**—The term "unused loss" for any taxable year means the amount by which—

(1) the sum of the statutory underwriting loss and the investment loss, exceeds

(2) the sum of—

(a) the taxable investment income, and

(b) the statutory underwriting income, and

(c) the amount required by section 824(d) to be subtracted from the protection against loss account.

The unused loss for any loss year is (1) an unused loss carryback to each of the 3 taxable years preceding the loss year, and (2) an unused loss carryover to each of the 7 taxable years following the loss year; or an irrevocable election may be made whereby a net operating loss may only be carried over to each of the 7 years following the year of such loss thus relinquishing the carryback period. After applying the net operating loss to the initial year, the portion of the loss that may be carried to each of the remaining taxable years is the excess (if any) of the amount of the loss over the sum of the offsets (as defined in section 825(f)) for each of the prior taxable years to which the loss may be carried.

**Limitations.**—An unused loss may not be carried—

(1) to or from any taxable year for which the insurance company is not subject to the tax imposed by section 821(a), or

(2) to any taxable year if, between the loss year and such taxable year, there is an intervening taxable year for which the insurance company was not subject to the tax imposed by section 821(a).

See section 844 for special carryover loss rules regarding an insurance company that has changed its form of organization or has changed the nature of its insurance business.

**8. Surplus.**—For election and attachment required of a reciprocal to be subject to the limitation in section 826(b), see section 826(a) and the regulations thereunder.

**Amount to be included by reciprocal.**—If the mutual insurance company taxable income before giving effect to

the election under section 826(a) is not less than \$50,000, then make no entry.

If the taxable income before giving effect to the election is not more than \$50,000, then:

(1) Where taxable income after the election is \$50,000 or less, the excess of such taxable income over taxable income before giving effect to the election must be entered as the amount required on line 8.

(2) Where taxable income after the election is over \$50,000, the excess of \$50,000 over taxable income before the election must be entered as the amount required on line 8.

Where the amount subtracted from the protection against loss account was added because of the election under section 826(a), then to the extent the amount increases mutual insurance company taxable income for the taxable year, the amount is not entitled to the \$50,000 surtax exemption. See section 1.826-2(b) of the regulations.

Where the surtax exemption is pro-rated under section 1561 because of an election under section 243(b), the pro-rated amount must be used in place of the \$50,000 referred to in the preceding paragraphs and line 8, page 1.

**10. Alternative tax for certain small companies.**—See instructions for Schedule A-2.

**12(a). Foreign tax credit.**—In general, effective for taxable years beginning after December 31, 1975, the per-country limitation cannot be used in computing the foreign tax credit. See Form 1118 for rules on how to compute the foreign tax credit.

**12(b). Investment credit.**—In most cases, the investment credit rate is 10 percent for property acquired and placed in service during the taxable year. Corporations may elect an 11 percent credit for such property if one percent of the qualified investment is contributed to an employee stock ownership plan. Complete Form 5500 for each employee stock ownership plan and file it on or before the last day of the 7th month following the close of your taxable year.

The limit on the amount of used property eligible for the investment credit is \$100,000.

The investment credit also applies to progress payments made during the construction of property that requires at least two years to construct and that has an expected useful life of at least 7 years. See Form 3468 for special rules and limitations.

**12(c). Credit for wages paid or incurred in Work Incentive (WIN) Program.**—Employers may claim a credit of 20% of the salaries and wages

paid or incurred for employees hired under a WIN program. The credit is allowed for the salaries and wages paid or incurred for the first 12 months of employment.

For special rules and limitations, see Form 4874 and sections 50A and 50B.

**13. Possession tax credit.**—See Form 5712 for rules on how to elect to claim the new possession tax credit (section 936). Compute the credit on Form 5735 and include the amount of the credit in the total for line 13, page 1. Form 1120M. Write in the margin next to the entry on line 13, the amount of the credit and identify it as being a section 936 credit.

**15. Foreign corporations.**—A foreign corporation carrying on an insurance business within the U.S. is taxable in the same manner as a domestic insurance company with respect to its income effectively connected with the conduct of a trade or business within the U.S. See section 842.

Any other U.S. source income received by a foreign corporation not effectively connected with the conduct of a trade or business within the U.S. is taxed at a 30% (or lower treaty) rate. See section 881. If you have any such income, attach a schedule showing the nature of income, amount of income, rate of tax (30% or lower treaty rate), and amount of tax. Enter the amount of tax imposed by section 881 on line 15, page 1.

**16. Tax from recomputing a prior year investment credit.**—If property is disposed of prior to the life-years category used in computing the investment credit, the investment credit must be recomputed using as the useful life the period the property was actually held. (For recomputations of the investment credit for qualified progress expenditures, see section 47(a)(3).) If the credit taken, including carrybacks and carryovers, exceeds the recomputed credit, the tax in the year of disposition must be increased by the excess. Form 4255 may be used to compute the tax.

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

**17. Tax from recomputing a prior year WIN credit.**—If a WIN program employee is dismissed before completing a certain period of employment, the WIN credit previously taken on such employee may be subject to recapture. If so, you must repay (with certain exceptions) any tax credit previously taken on the salaries and wages paid or incurred for that employee. (See Form 4874.)

218-116-1

3

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

**18. Minimum tax on tax preference items.**—In general, more corporations will be liable for the minimum tax this year because the new law increased the minimum tax rate from 10 percent to 15 percent, and reduced the minimum tax exemption from \$30,000 plus the regular income taxes for the year to the greater of \$10,000 or the regular income taxes for the year.

The tax preference items are accelerated depreciation on real property; amortization of certified pollution control facilities, railroad rolling stock, on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

You must attach Form 4626 if you have items of tax preference of more than \$10,000 even if there is no minimum tax, OR if you have any minimum tax liability deferred from a prior taxable year until this year.

**20(g). Credit by reciprocal for tax paid by attorney-in-fact.**—See section 826(e) and the regulations thereunder.

**20(h). Other tax credits.**—Section 39 provides a credit for Federal excise tax on: (1) gasoline used (a) on a farm for farming use, (b) in vehicles and machines used off the highway, such as in boats and, generally, in commercial aircraft, and (c) in vehicles furnishing certain public transportation by land; (2) lubricating oil used for any purpose other than in a highway motor vehicle; and (3) special fuels used (a) on a farm for farming use, (b) in vehicles furnishing certain public transportation by land, and (c) generally in commercial aviation or under other conditions not subject to tax.

Also include on line 20(h) any of the tax included on line 15, page 1, which was withheld at the U.S. source.

### SCHEDULE A.—Taxable Investment Income or (Loss)

**1. Interest.**—Enter interest received or accrued from all sources during the taxable year. The gross amount of interest reported as gross income must be decreased by the amortization of premiums attributable to the taxable year on bonds, notes, debentures or other evidences of indebtedness, determined (1) in accordance with the method regularly employed, if reasonable, or (2) in accordance with regulations. (Attach a statement showing method and computation.)

4

218-116-1

**3. Gross rents.**—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation in the proper lines for deductions.

**4. Gross royalties.**—Enter the gross amount of royalties. If a deduction is claimed for depletion, report it on line 15.

**5. Gross income from trade or business other than insurance business.**—Enter the gross income from any trade or business (other than an insurance business) carried on by the mutual insurance company, or by a partnership of which the mutual insurance company is a member.

**6. Leases, etc.**—Enter the gross amount of income received from the entering into (or the alteration or termination) of any lease, mortgage or other instrument or agreement from which the mutual insurance company derives interest, dividends, rents, or royalties.

**8. Net gain from sale or exchange of capital assets.**—Report sales or exchanges of capital assets in separate Schedule D (Form 1120) (but see Schedule A-3, page 3). Every sale or exchange of a capital asset, even though no gain or loss results, must be reported in detail.

Losses from sales or exchanges of capital assets (except losses from capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders) are allowed to the extent of gains from such sales or exchanges with respect to companies taxable under section 821.

The net capital loss for such companies is the amount by which losses for the year from sales or exchanges of capital assets exceed the sum of the gains from sales or exchanges and the lesser of (1) the taxable investment income (computed without regard to gains or losses from sales or exchanges of capital assets) or (2) losses from the sale or exchange of capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders.

However, the amount of a net capital loss sustained in a taxable year may be carried back 3 years and forward 5 years as a short-term capital loss. The amount allowable as a capital loss carryback is subject to the limitations of section 1212(a)(1).

For further information relating to gains and losses from sales or exchanges of property, see instructions for separate Schedule D (Form 1120)

and Form 4797, Supplemental Schedule of Gains and Losses.

### Deductions

**10. Interest wholly exempt from tax.**—Enter the amount of interest which is wholly exempt from taxation under section 103.

**11. Investment expenses.**—Enter expenses which are properly chargeable as investment expenses. If you allocate general expenses to investment expenses, the total deduction cannot exceed the limitation on line 18, Schedule A-1. Attach a schedule showing the nature and amount of the items and group the minor items into one amount. See section 822(c)(2).

**12. Taxes.**—Enter taxes paid or accrued exclusively upon real estate owned by the company as provided in section 164. For limitation on deduction, see instruction 19(a).

**13. Real estate expenses.**—Enter all ordinary and necessary building expenses, paid or accrued, such as fire insurance, heat, light, labor, etc.; and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition. Do not include any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or any amount expended on foreclosed property before such property is held for rental purposes. For limitation on this deduction, see instruction 19(a).

**14. Depreciation.**—The amount deductible for depreciation is an amount reasonably measuring a portion of the investment in depreciable property which, by reason of exhaustion, wear and tear, or obsolescence, is properly chargeable against the operations of the year. In any event, the deduction is limited to the depreciation on the property that is used, and to the extent used, for the purpose of producing the income specified in section 822(b). For limitation on this deduction, see instruction 19(a).

For a more detailed explanation of depreciation, see instructions for Schedule F.

**15. Depletion.**—See section 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

**16. Trade or business deductions.**—Enter total deductions attributable to any trade or business (other than an insurance business), the income from which is included in the mutual insurance company's gross investment in-

come by reason of section 822(b)(2). Do not include losses (a) from sales or exchanges of capital assets, (b) from sales or exchanges of property used in the trade or business, or (c) from the compulsory or involuntary conversion of property used in the trade or business.

**17. Interest paid or accrued.**—Enter the amount of interest paid or accrued during the taxable year on the company's indebtedness, except on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from taxation. (Section 265.)

**18. Other capital losses.**—Enter losses from capital assets sold or exchanged to provide funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. Capital assets are considered as sold or exchanged to provide for such funds or payments to the extent that the gross receipts from their sale or exchange are not greater than the excess, if any, for the taxable year of the sum of: (a) dividends and similar distributions paid to policyholders, (b) losses paid, and (c) expenses paid, over: (1) amount on line 7, and (2) net premiums received. (See Schedule A-3.)

**19. Total deductions:**

(a) **Limitation on deductions relating to real estate owned and occupied.**—The deductions included on lines 12, 13, and 14 for real estate owned and occupied in whole or in part by the company are limited to an amount which bears the same ratio to those deductions (computed without regard to section 822(d)(1)) as the rental value of the space not so occupied bears to the rental value of the entire property. (Attach a schedule.)

(b) **Items not deductible.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income, and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

**21. Dividends-received deduction.**—See instructions for Schedule E, Part II. The 85% limitation on the dividends-received deduction does not apply for any year in which there is a loss from taxable investment income.

**SCHEDULE A-2.—Alternative Tax for Certain Small Companies**

Section 821(c) provides an alternative tax for companies if the gross amount reported on line 7, Schedule A, plus premiums, is over \$150,000 but not over \$500,000.

The term "premiums" means the total amount of the premiums and other consideration provided in the insurance contract without any deduction for commissions, return premiums, reinsurance, dividends to policyholders, dividends left on deposit with the company, discounts on premiums paid in advance, interest applied in reduction of premiums (whether or not required to be credited in reduction of premiums under the terms of the contract), or any other item of a similar nature.

Such term includes advance premiums, premiums deferred and uncollected, and premiums due and unpaid, deposits, fees, assessments, and consideration in respect of assuming liabilities under contracts not issued by the taxpayer (such as a payment or transfer of property in an assumption reinsurance transaction), but does not include amounts received from other insurance companies for losses paid under reinsurance contracts. (See section 1.821-4(a)(1)(ii) of the regulations.)

Any mutual insurance company that is subject to the tax imposed by section 821(c) may elect to be subject to the tax imposed by section 821(a). See section 821(d) and the regulations thereunder for election to include statutory underwriting income or loss.

The alternative tax is not available to a company that has a balance in its protection against loss account at the beginning of the taxable year, or to a company that has an election in effect under section 821(d) to be taxed under section 821(a).

**SCHEDULE A-3.—Other Capital Losses**

Total gross receipts from sales of capital assets, line 10, column 3, should not exceed the amount shown on line 9. If necessary, gross receipts from a particular sale of a capital asset should be apportioned in the above schedule and the excess reported in separate Schedule D (Form 1120).

Except for the apportionment, sales reported in this schedule should not be reported in separate Schedule D.

Enter total other capital losses (line 10, column 7) as line 18, Schedule A and line 13, Schedule B-1.

**SCHEDULE B-1.—Income and Deductions**

**1. Investment income.**—To all interest, dividends, and rents received during the taxable year, add interest, dividends, and rents due and accrued at the end of the taxable year and deduct all interest, dividends, and rents due and accrued at the end of the preceding taxable year.

**2. Premiums earned.**—From the amount of gross premiums written on insurance contracts during the taxable year, deduct return premiums and premiums paid for reinsurance. To the result so obtained, add unearned premiums on outstanding business at the end of the preceding taxable year and deduct unearned premiums on outstanding business at the end of the taxable year.

**3(a). Gain from sale or other disposition of capital assets.**—Enter the amount of gain (only) from the sale or other disposition of capital assets from Schedule D (Form 1120).

**3(b). Ordinary gain.**—For reporting sales or exchanges of property (other than capital assets) including involuntary conversions, see Form 4797, Supplemental Schedule of Gains and Losses.

**5. Decrease in subscriber accounts.**—Enter the amount of the decrease for the taxable year in savings credited to subscriber accounts of an interinsurer or reciprocal underwriter. See instruction 20 for Schedule B-1 for savings credited to subscriber accounts.

**Deductions**

**7. Salaries and wages.**—Enter the amount of salaries and wages paid or accrued during the taxable year.

**8. Rents.**—Enter the amount of rent paid or accrued for business property in which the company has no equity.

**9. Interest.**—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for the limitation on deductions for unpaid expenses and interest in the case of transactions between related taxpayers.

**10. Taxes.**—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax. Do not include Federal income tax, foreign or U.S. possession income taxes if a foreign tax credit is claimed,

or taxes not imposed upon the corporation.

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

**11. Losses incurred on insurance contracts.**—To losses paid during the taxable year, add salvage and reinsurance recoverable outstanding at the end of the preceding taxable year and deduct salvage and reinsurance recoverable outstanding at the end of the taxable year. To this result, add all unpaid losses outstanding at the end of the taxable year and deduct unpaid losses outstanding at the end of the preceding taxable year.

**12. Capital losses.**—Enter only capital losses to the extent of capital gains from separate Schedule D (Form 1120). Capital gains should be entered on line 3. (Also, see instruction 8 for Schedule A.)

**13. Other capital losses.**—Enter the amount of losses from capital assets sold or exchanged to provide funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. (Also, see instruction 18 for Schedule A.)

**14. Worthless agency balances and bills receivable.**—Enter the amount of debts in the nature of agency balances and bills receivable that became worthless during the taxable year.

**15. Interest.**—Enter the amount of interest earned during the taxable year that is excluded from gross income under section 103.

**16. Depreciation.**—See instructions for Schedule F.

**17. Depletion.**—See instruction 15 for Schedule A.

**18. Contributions.**—Enter contributions or gifts paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month after the end of the taxable year if the contributions are authorized by the board of directors during the taxable year.

A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

The total amount claimed may not exceed 5% of line 24, Schedule B-1, computed without regard to any deduction for contributions.

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If you make a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income, short-term capital gain and
- (2) for certain contributions, 62½% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).) For special rules regarding a contribution of inventory, and other ordinary income property (described in section 1221(1) or (2)) made after October 4, 1976, to a public charity or private operating foundation for exempt purpose use in the care of the ill, needy, or children, see section 170(e)(3).

**Bargain sale to a charitable organization.**—If you take a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**19. Dividends paid or declared to policyholders.**—Enter the amount of dividends and similar distributions paid or declared to policyholders.

**20. Increase in subscriber accounts.**—In the case of a mutual insurance company which is an interinsurer or reciprocal underwriter, a deduction is allowed for the increase in savings credited to subscriber accounts for the taxable year.

The term "savings credited to subscriber accounts" means such portion of the surplus credited to the individual accounts of subscribers on or before

March 15, 1977. This applies only if the company would be obligated to pay such amount promptly to a subscriber if he terminated his contract at the close of the company's taxable year and only if the subscriber has been notified as required by section 1.823-6(c)(2)(v) of the regulations. For purposes of determining his taxable income, the subscriber must treat any such savings credited to his account as a dividend paid or declared.

**21(a). Pension, profit-sharing, etc. plans.**—Complete Form 5500 for each of your plans and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction on line 21(a). File these forms on or before the last day of the 7th month following the close of your taxable year.

**21(b). Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g. insurance, health, and welfare programs) that are not an incidental part of a pension, profit-sharing, etc. plan included on line 21(a).

**25. Dividends-received deduction.**—See instructions for Schedule E, Part II. The 85% limitation on the dividends-received deduction does not apply to any year in which there is a loss from statutory underwriting income.

**SCHEDULE B-2.—Special Deduction**

In the case of a taxpayer subject to the tax imposed by section 821(a), section 823(c) provides that if the gross amount received during the taxable year from the items described in section 822(b) (other than paragraph (1) (D)) and premiums (including deposits and assessments) is less than \$1,100,000, then there is allowed an additional deduction for the purposes of determining statutory underwriting income or loss under section 823(a) for the taxable year.

For definition of "premiums" see instructions for Schedule A-2.

**SCHEDULE E.—Dividends**

**Part I.—Dividend income**

**1. Certain domestic corporations.**—Enter dividends received from domestic corporations subject to income tax and which are subject to the 85% deduction under section 243(a)(1).

So-called dividends or earnings from mutual savings banks, etc., are really interest and should not be treated as dividends.

For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

**2. Certain public utility corporations.**—Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

**3. Certain foreign corporations.**—Enter dividends received from foreign corporations and which qualify for the 85% deduction provided in section 245(a).

Enter dividends received from wholly-owned foreign subsidiaries and which are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a taxable year during which (1) all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and (2) all of its gross income from all sources is effectively connected with the conduct of a trade or business within the U.S.

If dividends received from wholly-owned foreign subsidiaries are included in line 3, attach a schedule showing the amount of these dividends.

**4. Certain affiliated groups.**—Enter only those dividends which are subject to the elective provisions of section 243(b).

**5. Other corporations.**—Attach a schedule showing separately:

(a) Foreign dividends (including minimum distributions under subpart F) not reportable on line 3. Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F.

(b) Income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in Schedule A, of Form(s) 3646.

(c) Gross-up dividends for taxes deemed paid under sections 902 and 960.

(d) Dividends (other than capital gain dividends) received from regulated investment companies and which are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends and exempt-interest dividends) received from a real estate investment trust which, for the taxable year of the trust in which the dividends are paid, qualifies under sections 856-860; dividends not eligible for a dividends-re-

ceived deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

#### Part II—Dividends-received deduction

**3. Dividends received from certain foreign corporations.**—Enter 85% of dividends received from certain foreign corporations.

Enter on this line 100% of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on the amount of these deductions.

**4. Total.**—This total is subject to the 85% limitation provided by section 246(b) as follows:

(a) Schedule A—The line 4 total may not exceed 85% of (line 20, Schedule A, less line 5, Schedule E, Part II).

(b) Schedule B-1—The line 4 total may not exceed 85% of (line 24, Schedule B-1, less line 5, Schedule E, Part II).

**5. Dividends received from certain members of affiliated groups.**—Members of affiliated groups may elect under section 243(b) to deduct 100% of the qualifying dividends received from other members of the same group. Qualifying corporations which elect to take the 100% deduction are limited to one \$50,000 surtax exemption which must be apportioned under section 1561 among the members of the controlled group. See section 243(b) for qualifications and restrictions applicable to this deduction.

#### SCHEDULE F—Depreciation

Complete Schedule F if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule F.

**Class Life (ADR) System and Guideline Class Life System.**—If depreciation is computed by using the Class Life (ADR) System or the Guideline Class Life System, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System) with your return. For more information, see instructions for Form 4832 and Form 5006.

**Salvage value.**—Salvage value must be taken into account in determining the depreciation deduction except un-

der the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after you make the above salvage value reduction.

**(a) Tangible property other than real property.**—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible personal property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

**(b) New section 1250 property.**—The double declining balance and sum of the years-digits methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150% declining balance methods.

**(c) Used section 1250 property.**—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

**(d) Rehabilitation expenditures for low-income rental housing.**—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. For details, see section 167(k).

**Historic structures.**—For new rules pertaining to the depreciation of expenditures related to historic structures, see sections 167(n) and 167(o).

**(e) Section 179—Additional first-year depreciation allowance.**—For the first year a depreciation deduction is allowable, corporations may elect to write off 20% of the cost (before adjustment

for salvage value) of new or used tangible personal property with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

#### SCHEDULE G.—Compensation of Officers

Complete columns 1 through 5, Schedule G for all officers. Complete column 6, Schedule G for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances,

to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer. Column 6 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

**IMPORTANT**—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction N.  
**Note:** If section 465 (deductions limited to amount at risk) applies, see instruction for line 28.

|     |  |  |       |
|-----|--|--|-------|
| TAX | 29   | Income tax on capital gains (Schedule J) . . . . .   | 29    |
|     | 30   | Minimum tax (see instructions)—attach Form 4626 . . . . .                                    | 30    |
|     | 31   | Total tax (add lines 29 and 30) . . . . .  | 31    |
|     | 32   | Credits: (a) Tax deposited with Form 7004 (attach copy) . . . . .                            | 32(a) |
|     |  | (b) Tax deposited with Form 7005 (attach copy) . . . . .                                     | 32(b) |
|     | (c) Credit for U.S. tax on special fuels, nonhighway gas, and lubricating oil (attach Form 4136) . . . . . | 32(c)  |       |
|     | 33   | TAX DUE (line 31 less line 32). See instruction G for depositary method of payment . . . . . | 33    |
|     | 34   | OVERPAYMENT (line 32 less line 31) . . . . .   | 34    |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

| Title | Identifying number (see instructions) | Address and ZIP Code |
|-------|---------------------------------------|----------------------|
|-------|---------------------------------------|----------------------|

| Part III Tax computation (See instructions) |   |
|---|---|
| 1   | Taxable income (line 28, page 1)  |
| 2   | Enter \$25,000. (Members of a controlled group, see instructions)                                       |
| 3   | Line 1 less line 2  |
| 4   | Enter line 3 or \$25,000, whichever is lesser (Members of a controlled group, see instructions)         |
| 5   | Line 3 less line 4  |
| 6   | Enter 20% of line 2   |
| 7   | Enter 22% of line 4   |
| 8   | Enter 48% of line 5   |
| 9   | Add lines 6, 7, and 8   |
| 10  | Net long-term capital gain reduced by net short-term capital loss (from line 9(b), page 1)              |
| 11  | Subtract \$25,000. (Statutory minimum)  |
| 12  | Balance (line 10 less line 11). (See instructions)  |
| 13  | Enter 30% of line 12. (See instructions)  |
| 14  | Income tax on capital gains (line 9 or line 13, whichever is lesser). Enter here and on line 29, page 1 |

Form 1120S (1976)

Page 3

**Schedule K** Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

## Computation of Corporation's Undistributed Taxable Income

|   |  |  |
|---|--|--|
| 1 | Taxable income (line 28, page 1)   |  |
| 2 | Less: (a) Money distributed as dividends out of earnings and profits of the taxable year |  |
|   | (b) Tax imposed on certain capital gains (line 31, page 1)                               |  |
| 3 | Corporation's undistributed taxable income   |  |

## Summary of Distributions and Other Items (attach additional sheets if necessary)

| 1. Name and address of each shareholder | 2. Social security number | 3. Stock ownership |                        | 4. Compensation | 5. Percentage of line divided to business |
|---|---------------------------|--------------------|------------------------|-----------------|---|
|   |                           | Number of shares   | Period held<br>From To |                 |   |
| A                                       |                           |                    |                        |                 |   |
| B                                       |                           |                    |                        |                 |   |

|   |   |  |
|---|---|--|
| 4 | Actual dividend distributions taxable as ordinary income (Do not include amounts shown on line 6) |  |
| 5 | Actual dividend distributions taxable as long-term capital gains (after tax)                      |  |
| 6 | Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion    |  |
| 7 | Nondividend distributions   |  |
| 8 | Undistributed taxable income—taxable as ordinary income or (loss)                                 |  |
| 9 | Undistributed taxable income—taxable as long-term capital gain (after tax)                        |  |

## 10 Investment credit property

| Property Qualified for Investment Credit | Basis of new investment property    |                                     | Cost of used investment property    |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | (a) 3 or more but less than 5 years | (b) 5 or more but less than 7 years | (c) 3 or more but less than 5 years | (d) 5 or more but less than 7 years |
| Qualified progress expenditures          | 1974 and 1975                       | (d) 7 or more years                 | 1976                                | (e) 7 or more years                 |
| Cost of used investment property         | (f) 3 or more but less than 5 years | (g) 5 or more but less than 7 years | (h) 7 or more years                 |                                     |

## 11 Interest on investment indebtedness:

|     |   |  |
|-----|---|--|
| (a) | (1) Interest expense on investment indebtedness incurred prior to September 11, 1975                      |  |
|     | (2) Interest expense on investment indebtedness incurred after September 10, 1975                         |  |
| (b) | Net investment income or (loss)   |  |
| (c) | Excess expenses from "net lease property"   |  |
| (d) | Excess of net long-term capital gain over net short-term capital loss attributable to investment property |  |

## 12 Items of tax preference:

|     |  |  |     |  |  |
|-----|--|--|-----|--|--|
| (a) | Excess itemized deductions             |  | (e) | Amortization of:   |  |
| (b) | Accelerated depreciation on:           |  | (1) | Certified pollution control facilities                     |  |
| (1) | Low income rental housing              |  | (2) | Railroad rolling stock                                     |  |
| (2) | Other real property                    |  | (3) | On-the-job training facilities                             |  |
| (3) | Personal property subject to a lease   |  | (4) | Child care facilities                                      |  |
| (c) | Intangible drilling costs              |  | (f) | Reserves for losses on bad debts of financial institutions |  |
| (d) | Net long-term capital gain (after tax) |  | (g) | Depletion  |  |

|   |   |     |    |
|---|---|-----|----|
| F | Did you, at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? | Yes | No |
| G | Taxable income or (loss) from line 28, page 1, Form 1120S for your taxable year beginning in: 1973                              |     |    |
|   | 1974  |     |    |
|   | 1975  |     |    |

|   |  |  |
|---|--|--|
| H | Refer to page 7 of instructions and state the principal: |  |
|   | Business activity  |  |
|   | Product or service                                       |  |

|   |  |     |    |
|---|--|-----|----|
| I | Were you a member of a controlled group subject to the provisions of section 1561? | Yes | No |
|---|--|-----|----|

|     |   |  |  |
|-----|---|--|--|
| J   | Did you claim a deduction for expenses connected with:    |  |  |
| (1) | Entertainment facility (boat, resort, ranch, etc.)?       |  |  |
| (2) | Living accommodations (except for employees on business)? |  |  |
| (3) | Employees' families at conventions or meetings?           |  |  |

|   |  |  |  |
|---|--|--|--|
| K | Did you file all required Forms 1087, 1096, and 1099?  |  |  |
| L | Answer only if (1) this is the first 1120S return filed since your election to be treated as a small business corporation and (2) the corporation was in existence for the taxable year prior to the election and had investment credit property: Was an agreement filed under section 1.47-4(b) of the regulations?             |  |  |
| M | Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.) |  |  |
| N | Were you the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not you have any beneficial interest in such trust? If "Yes," attach Form 4683. (For definitions, see Form 4683.)   |  |  |

Form 1120S (1976)

Page 4

**Schedule K-1** Shareholder's Share of Undistributed Taxable Income, etc. (Complete a separate Schedule K-1 (Form 1120S) for each shareholder. See page 5 of instructions, and also back of Copy C, Schedule K-1 (Form 1120S).)**Schedule L** Balance Sheets

| ASSETS                                      | Beginning of Taxable year                                   |           | End of Taxable year |           |
|---|---|-----------|---------------------|-----------|
|   | (A) Amount  | (B) Total | (C) Amount          | (D) Total |
| 1   | Cash  |           |                     |           |
| 2   | Trade notes and accounts receivable                         |           |                     |           |
|   | (a) Less allowances for bad debts                           |           |                     |           |
| 3   | Inventories   |           |                     |           |
| 4   | Gov't obligations: (a) U.S. and instrumentalities           |           |                     |           |
|   | (b) State, subdivisions thereof, etc.                       |           |                     |           |
| 5   | Other current assets (attach schedule)                      |           |                     |           |
| 6   | Loans to shareholders                                       |           |                     |           |
| 7   | Mortgage and real estate loans                              |           |                     |           |
| 8   | Other investments (attach schedule)                         |           |                     |           |
| 9   | Buildings and other fixed depreciable assets                |           |                     |           |
|   | (a) Less accumulated depreciation                           |           |                     |           |
| 10  | Depletable assets   |           |                     |           |
|   | (a) Less accumulated depletion                              |           |                     |           |
| 11  | Land (net of any amortization)                              |           |                     |           |
| 12  | Intangible assets (amortizable only)                        |           |                     |           |
|   | (a) Less accumulated amortization                           |           |                     |           |
| 13  | Other assets (attach schedule)                              |           |                     |           |
| 14  | Total assets  |           |                     |           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |           |                     |           |
| 15  | Accounts payable  |           |                     |           |
| 16  | Mtgs, notes, bonds payable in less than 1 year              |           |                     |           |
| 17  | Other current liabilities (attach schedule)                 |           |                     |           |
| 18  | Loans from shareholders                                     |           |                     |           |
| 19  | Mtgs, notes, bonds payable in 1 year or more                |           |                     |           |
| 20  | Other liabilities (attach schedule)                         |           |                     |           |
| 21  | Capital stock   |           |                     |           |
| 22  | Paid-in or capital surplus                                  |           |                     |           |
| 23  | Retained earnings—appropriated (attach schedule)            |           |                     |           |
| 24  | Retained earnings—unappropriated                            |           |                     |           |
| 25  | Shareholders' undistributed taxable income previously taxed |           |                     |           |
| 26  | Less cost of treasury stock                                 |           |                     |           |
| 27  | Total liabilities and shareholders' equity                  |           |                     |           |

**Schedule M-1** Reconciliation of Income Per Books With Income Per Return

|   |  |  |     |   |  |
|---|--|--|-----|---|--|
| 1 | Net income per books   |  | 7   | Income recorded on books this year not included in this return (itemize)          |  |
| 2 | Federal income tax   |  | (a) | Tax-exempt interest \$  |  |
| 3 | Excess of capital losses over capital gains                                |  | 8   | Deductions in this tax return not charged against book income this year (itemize) |  |
| 4 | Income subject to tax not recorded on books this year (itemize)            |  | 9   | Total of lines 7 and 8  |  |
| 5 | Expenses recorded on books this year not deducted in this return (itemize) |  | 10  | Income (line 28, page 1)—line 6 less line 9                                       |  |
| 6 | Total of lines 1 through 5   |  |     |   |  |

**Schedule M-2** Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

|   |                              |  |   |  |  |
|---|------------------------------|--|---|--|--|
| 1 | Balance at beginning of year |  | 5 | Distributions out of current or accumulated earnings and profits: (a) Cash                             |  |
| 2 | Net income per books         |  |   | (b) Stock  |  |
| 3 | Other increases (itemize)    |  |   | (c) Property   |  |
|   |                              |  | 6 | Current year's undistributed taxable income or net operating loss (total of lines 8 and 9, Schedule K) |  |
|   |                              |  | 7 | Other decreases (itemize)  |  |
|   |                              |  | 8 | Total of lines 5, 6, and 7   |  |
| 4 | Total of lines 1, 2, and 3   |  | 9 | Balance at end of year (line 4 less line 8)  |  |

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# 1976 Department of the Treasury Internal Revenue Service Instructions for Form 1120S U.S. Small Business Corporation Income Tax Return

(References are to the Internal Revenue Code.)

## General Instructions

**A. Who must file Form 1120S.**—Every small business corporation (as defined in section 1371(a)) that has filed a proper and timely election under section 1372(a) not to be subject to the income tax imposed by chapter 1 (other than by sections 56 and 1378) must file Form 1120S. See Form 2553.

**B. Consents of shareholders.**—Consents of all shareholders must be included on the election form (Form 2553) notifying the Service Center Director of the election, or included as attachments to the election form. If the election was made before the first day of the taxable year, the consents of the persons, who became shareholders after the date of election and on or before such first day, must be filed with the Service Center Director with whom the election was filed as soon as practicable after the first day and no later than the last day prescribed for making the election. Copies of the latter consents must also be attached to Form 1120S when the return is filed.

For taxable years beginning before January 1, 1977, new shareholders (any person who was not a shareholder on the first day of the first taxable year for which the election is effective, or on the day on which the election is made, whichever is later) must consent to the election. The statement of consent of new shareholders must be filed with the Service Center Director with whom the election was filed within a period of 30 days after they became shareholders or the election is automatically terminated. Copies of the consents must also be attached to the return.

For taxable years beginning after December 31, 1976, a subchapter S election will not be terminated unless a new shareholder (any person who was not a shareholder on the first day of the first taxable year for which the election is effective, or on the day on which the election is made, whichever is later) affirmatively refuses to consent to the election on or before the 60th day after which the new shareholder acquired the stock. Any termination of an election by the corporation is automatically terminated: (1) if a person becoming a new shareholder in a taxable year beginning before 1977 does not consent to the election as explained in B above, or if a person becoming a new shareholder in a taxable year beginning after December 31, 1976 affirmatively refuses to consent to the election as explained in B above; (2) if it ceases to

be a small business corporation as defined in section 1371 (a); (3) if it derives more than 80% of its gross receipts from sources outside the U.S.; or (4) if it has gross receipts more than 20% of which is passive investment income (defined in section 1372(e)(5)(D)), except during the first 2 taxable years of active conduct of any trade or business if passive investment income is less than \$3,000. This termination is effective for the taxable year in which any one of the foregoing occurs and for all succeeding taxable years of the corporation (section 1372(e)).

The election may be revoked for any taxable year after the first taxable year for the taxable year in which made, if made before the close of the first month of the taxable year, or (2) for the taxable year following the taxable year in which made, if made after the close of the first month; and for all succeeding taxable years. The revocation is to be made in the manner prescribed by section 1.1372-4 of the regulations.

If the small business corporation has made an election under section 1372(a) and the election has been terminated or revoked, the corporation is not eligible to make the election again under section 1372 (a) for 5 years unless the Commissioner consents.

**D. Period to be covered by 1976 return.**—File the 1976 return for calendar year 1976 and fiscal years beginning in 1976 and ending in 1977. If the return is for a fiscal year, fill in the taxable year space on the form.

**FINAL RETURNS.**—If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

**E. When to file.**—In general, Form 1120S must be filed on or before the 15th day of the 3d month after the end of the taxable year.

\*Section 1371(a)(1) limits an electing small business corporation to 10 shareholders or less. However, a small business corporation which has been an electing small business corporation for a period of 5 consecutive taxable years or more may have more than 10 shareholders (but not more than 15). If during this five-year period, the number of shareholders increases to an amount in excess of 10 (but not more than 15) solely by reason of additional shareholders who acquired their stock through inheritance, the corporation may have a number of additional shareholders equal to the number by which the inheriting shareholders cause the total number of shareholders of such corporation to exceed 10. (See section 1371(e).) This provision is effective for taxable years beginning after December 31, 1976. Also must be filed on or before the 15th day of the 3d month after the end of the taxable year. (See section 1371(f) wherein certain trusts may be permitted as shareholders and see section 1371(c) wherein a husband and wife, or the surviving spouse and the estate of one of the spouses, or the estate of both spouses (by reason of their deaths on the same date) may be considered as one shareholder.

You may request an automatic 3-month extension to file Form 1120S by filing Form 7004.

Form 7005 may be used to request an additional extension but only by corporations that have previously obtained an automatic 3-month extension by filing Form 7004.

## F. Where to file.

If the corporation's principal business, office, or agency is located in:

| Use the following Internal Revenue Service Center address   | Use the following Internal Revenue Service Center address |
|---|---|
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester  | 1040 Waverly Avenue<br>Holtzville, N.Y. 11799             |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont                                | 310 Lowell Street<br>Andover, Mass. 01812                 |
| Alabama, Florida, Georgia, Mississippi, South Carolina  | 4800 Buford Highway<br>Chamblee, Georgia 30006            |
| Michigan, Ohio  | Cincinnati, Ohio 45298                                    |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas  | 3651 S. Interregional<br>Austin, Texas 78740              |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | 1160 West 1200 South Street<br>Open, Utah 84201           |
| Illinois, Iowa, Missouri, Wisconsin   | 2306 E. Bannister Road<br>Kansas City, Mo. 64176          |
| California, Hawaii  | 5045 East Butler Avenue<br>Fresno, California 93888       |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia   | 3131 Demoral Road<br>Memphis, Tenn. 38110                 |
| Delaware, District of Columbia, Maryland, Pennsylvania  | 11031 Roosevelt Boulevard<br>Philadelphia, Pa. 19155      |

**G. Depositary method of payment of tax.**—The balance of tax due (line 33) must be paid in full when the return is filed or in two installments: 50% by the 15th day of the 3d month and 50% by the 15th day of the 6th month after the end of the taxable year.

All corporation income tax payments must be deposited with an authorized commercial bank depositary or Federal Reserve Bank, with a Federal Tax Deposit Form prescribed with a Tax Class Number 503, in accordance with instructions appearing on the reverse of that form. Each deposit must be accompanied by a Federal Tax Deposit Form prescribed with a Tax Class number 503. Do not remit directly to Internal Revenue. Records of deposits will be sent to Internal Revenue for crediting to the corporation's account.

Timeliness of deposits will be determined by the date the deposit was recorded as received by the commercial bank depositary or Federal Reserve Bank.

Corporations needing Forms 503 may obtain them from the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, identification number, address, and the taxable year to which the deposits relate.

**H. Change in accounting period.**—To change your accounting period, see section 1.442-1 of the regulations and Form 1128, Application for Change in Accounting Period.

**I. Accounting methods.**—Taxable income must be computed using the method of accounting regularly used in keeping the

corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, you may not change the method of accounting used to report income in prior years (for income as a whole or for any material item) without first obtaining consent on Form 3115, Application for Change in Accounting Method.

**Rounding off to whole-dollar amounts.**—The money items may be shown as whole-dollar amounts by eliminating any amount less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

**J. Information returns that may be required.**

Form 1095—Annual summary and transmittal of U.S. information returns.

Forms 1099—DIV, INT, MED, MISC, OID, PATR, and R.—Information returns for reporting certain dividends, interest income, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and lump-sum distributions from profit-sharing and retirement plans.

Actual dividend distributions taxable as ordinary income, actual dividend distributions taxable as long-term capital gains (after tax), nondividend distributions, and dividends qualifying for the dividend exclusion must be reported on Form 1099-DIV.

Constructive dividends (undistributed taxable income) do not have to be reported on Form 1099-DIV but must be reported on Schedule K-1 (Form 1120S).

Forms 966 and 1099L.—Information returns regarding dissolution or liquidation, and distributions in liquidation.

**K. Stock ownership in foreign corporations.**—If you owned 5% or more in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(d).

If you controlled a foreign corporation or were a 10% or more shareholder of a controlled foreign corporation, you may be required to file Forms 2952 and 3646.

**L. Balance sheets.**—The balance sheets must agree with your books and records. Any differences must be reconciled. Copies of balance sheets required by Federal, State, etc., authorities may be used in place of Schedule L. Certificates of deposit should be included as cash on line 1 of the balance sheet.

**M. Net operating loss and other deductions.**—The deduction for net operating losses provided by section 172 and the special deductions in Part VIII (except section 248) of subchapter B are not allowed to an electing small business corporation. (Section 1373(d).)

The corporation's net operating loss is allowed as a deduction from gross income of the shareholders. (Section 1374.)

**N. Attachments.**—If more space is needed on forms or schedules, attach separate sheets and use the same arrangement as the printed forms, but show the totals on the printed forms. Be sure to put the corporation's name and employer identification number on these separate sheets.

**O. Signature.**—The return must be signed and dated by the president, vice

president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

If the person who prepares your return for pay is not an employee of a firm, corporation or another individual, then that person must sign the return as preparer and enter his or her social security number and address.

If the person who prepares your return for pay is an employee of a firm, corporation or another individual, then that person must sign the return and enter the employer's name, identification number, and address.

If prepared by the taxpayer's regular, full-time employee, such as a clerk, secretary, or bookkeeper, the employee does not have to sign.

A receiver, trustee, or assignee must sign and date any return he or she is required to file on behalf of a corporation.

**P. Transfers to corporation controlled by transferor.**—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by section 1.351-3 of the regulations.

## Q. Penalties.

1. A corporation that fails to file its tax return by the prescribed date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed (the penalty is imposed on the net amount due—section 6651(a)(1)).

2. A corporation that fails to pay the tax when due may be subject to a penalty of 1/2% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid (the penalty is imposed on the net amount due—section 6651(a)(2)).

The above penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate pursuant to section 6621.

**Foreign Bank, Securities and Other Financial Accounts; and Grantors, Transferees or Beneficiaries of Foreign Trusts.**

Form 4683 must be completed by a person:

1. who had any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution), or

2. who was the grantor of, or transferor to, a foreign trust during any taxable year, which foreign trust was in being during the current taxable year, whether or not that person has any beneficial interest in such trust.

Please note that this year Form 4683 must be filed by taxpayers having any interest in a foreign trust. In prior years this form was required to report an interest in a trust only if the interest was at more than a 50% interest.

## Specific Instructions

(Numbered to correspond with the line numbers on page 1 of the return.)

## Gross Income

1. Gross receipts.—Enter gross receipts or sales from all business operations except those required to be reported on lines 4 through 10.

For reporting advance payments and long-term contracts, see section 1.451-5 of the regulations.

If you use the installment method of reporting, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on amount collected.

2. Cost of goods sold.—The method of valuing inventories may not be changed without permission. Application for permission to change must be made on Form 3115.

If you elect to use the last-in-first-out (LIFO) method of valuing inventory provided in section 472, attach Form 970 or a statement that contains the information required by Form 970 to your return for the first year that method is to be used.

Full absorption method of inventory costing.—Taxpayers engaged in manufacturing or production operations must use the full absorption method of inventory costing. If they are not using the full absorption method of inventory costing, they must change to this method under which both direct and certain indirect production costs are included for inventory value purposes.

The change to full absorption may be made by filing Form 3115. For further details, see Revenue Procedure 75-40, 1975-2 C.B. 571, and section 1.471-11 of the regulations.

Cost of operations (where inventories are not an income-determining factor).—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

6. Other interest.—Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, etc.

Do not offset interest income against interest expense.

7. Gross rents.—Enter the gross amount received for the rental of property. Deduct expenses such as repairs, interest, taxes, and depreciation in the proper lines for deductions.

The corporation may be limited in the amount of expense deductions attributable to the rental of a vacation home if the property is used by a shareholder for personal purposes. (See section 280A.)

9. Sales or exchanges of capital assets and other property.—See separate Schedule D (Form 1120S), and Form 4797, Supplemental Schedule of Gains and Losses.

If line 9(b) exceeds \$25,000, see instructions for Schedule J—Tax Computation.

Every sale or exchange of a capital asset must be reported in detail in Schedule D

(Form 1120S) even though no gain or loss is indicated.

**10. Other income.**—The attached schedule should include recoveries of bad debts deducted in prior years under the specific charge-off method. Refunds of taxes deducted in prior years should be reported here and not offset against current year's taxes.

If "other income" consists of only one item, you may identify it by showing the account caption in parentheses on line 10.

#### Deductions

**12. Compensation of officers.**—Complete columns 1 through 6, Schedule E, for all officers. Complete column 7, Schedule E, for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 7 does not have to be completed for any officer for whom the combined amount is less than \$30,000.

**14. Repairs.**—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value or appreciably prolong the life of the property.

Include on this line the total amount of repairs from Form 4832.

**15. Bad debts.**—Bad debts may be treated in either of two ways—(1) as a deduction for debts that become worthless in whole or in part, or (2) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Application to change the method of computing bad debts must be made on Form 3115.

**17. Taxes.**—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax.

Do not include Federal income tax or taxes not imposed on the corporation. See section 164(d) for apportionment of taxes on real property between seller and purchaser.

For taxable years beginning in 1976 the deduction for construction period taxes in the case of nonresidential real property is limited to 50% of such taxes if the construction period begins after December 31, 1975. The amounts disallowed under the above rule shall be charged to a capital account and amortized as required by section 189.

**18. Interest.**—Enter interest expense, including investment interest expense, but do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest on transactions between related taxpayers.

For taxable years beginning in 1976 the deduction for construction period interest in the case of nonresidential real property is limited to 50% of such interest if the construction period begins after December 31, 1975. The amounts disallowed under the above rule shall be charged to a capital account and amortized as required by section 189.

Generally, a cash basis taxpayer, who in 1976 prepaid interest allocable to any period after 1976, can only deduct the amount allocable to 1976. However, if prepayment is required by a binding contract or written loan commitment that existed on September 16, 1975 (and at all times thereafter), such prepaid interest is deductible if paid in 1976, if the deduction of such interest would not materially distort income. See section 461(g).

**19. Contributions.**—Enter contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not exceed 5% of taxable income (line 28, page 1) computed without regard to this deduction.

Charitable contributions in excess of the 5% limitation may not be deducted for the taxable year but may be carried over to the next 5 taxable years.

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month after the end of the taxable year if the contributions are authorized by the board of directors during the taxable year. A declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the taxable year, and a copy of the resolution, must both be attached to the return.

Attach a schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, describe the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

**Special rule for contributions of certain property.**—If you make a charitable contribution of property, the contribution must be reduced by the sum of

- (1) the ordinary income, short-term capital gain and

- (2) for certain contributions, 62½% of the long-term capital gain, that would have resulted if the property were sold at its fair market value. The reduction for 62½% of the long-term capital gain applies to (1) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (2) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

**Bargain sale to a charitable organization.**—If you take a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

**20. Amortization.**—If you claim a deduction for amortization, attach a schedule showing: (1) a description of the expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A.

See section 169 and related regulations for conditions under which the cost of certified pollution control facilities may be amortized over 60 months.

Also see section 188 for conditions under which the cost of certain expenditures for on-the-job training and child care facilities may be amortized over 60 months.

See new section 191 under which the costs incurred in a certified rehabilitation of a historic structure may be amortized over a 60 month period.

For the special treatment of certain expenditures incurred in the production of films, books, records, or similar property, see section 280.

**21. Depreciation.**—Complete Schedule G if you claim a deduction for depreciation of property, leasehold improvements, patents, or copyrights. Form 4562, Depreciation, may be used as a supplement to Schedule G.

**Salvage value.**—Salvage value must be taken into account in determining the depreciation deduction except under the declining balance method, Class Life (ADR) System, or Guideline Class Life System. For personal property (other than livestock) with a useful life of 3 years or more, salvage value may be reduced by an amount not in excess of 10% of the cost or other basis of the property. Property cannot be depreciated below a reasonable salvage value after making the above salvage value reduction.

**Tangible property other than real property.**—Tangible personal property, whether new or used, may be depreciated under the straight line method or the 150% declining balance method.

New tangible property with a useful life of 3 years or more may also be depreciated under (1) the double declining balance method, (2) the sum of the years-digits method, or (3) any other method that does not result in accumulated allowances at the end of any year (during the first two-thirds useful life of the property) greater than the total that could have been deducted if the double declining balance method had been used.

**New section 1250 property.**—The double declining balance and sum of the years-digits methods may be used only for new residential rental property from which at least 80% of the gross rental income is derived from rental of residential units. Other new real property may be depreciated under the straight line or 150% declining balance method.

**Used section 1250 property.**—Used residential rental property with a useful life of 20 years or more may be depreciated under the 125% declining balance method. Other used real property may be depreciated under the straight line method.

**Rehabilitation expenditures for low-income rental housing.**—You may elect to compute the depreciation deduction under section 167(k) for rehabilitation expenditures incurred for low-income rental housing under the straight line method using a useful life of 60 months and no salvage value in lieu of any other method of computing depreciation. For details, see section 167(k).

**Section 179—Additional first-year depreciation allowance.**—For the first year a depreciation deduction is allowable, corporations may elect to write off 20% of the

cost (before adjustment for salvage value) of new or used tangible personal property with a useful life of 6 years or more, up to an aggregate cost of \$10,000.

Controlled corporate groups must apportion this \$10,000 amount among members of the group. For this purpose, section 179(d)(7) provides a special definition of controlled groups.

If the additional first-year allowance is elected, the basis of the property must be reduced by the amount of the deduction before computing the ordinary depreciation.

**22. Depletion.**—See sections 613 and 613A for rates applicable to natural deposits.

Attach Form T if a deduction is claimed for depletion of timber.

**24. Pension, profit-sharing, etc. plans.**—Complete Form 5500 for each of your plans and file as a separate return. Complete Form 5500-C in lieu of Form 5500 if there were fewer than 100 participants at the beginning of the plan year. See instructions for above forms for computation of allowable deduction for line 24. If these forms are on or before the last day of the 7th month following the close of your taxable year.

If you have a profit-sharing or stock bonus plan, it will be disqualified unless it specifically states that plan forfeitures attributable to employer contributions after 1970 tax years cannot benefit a shareholder-employee.

**Taxability of shareholder-employee beneficiaries.**—See section 1379(b) for inclusion of excess contributions in gross income of the shareholder-employee beneficiary. Also, see instructions for column 4 of Schedule K.

**25. Employee benefit programs.**—Enter the amount of your contributions to employee benefit programs (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

**26. Other deductions.**—No deduction is allowable for any amount allocable to a class of exempt income other than exempt interest income. Items directly attributable to wholly exempt income must be allocated to such income, and items directly attributable to any class of taxable income must be allocated to such taxable income.

If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion of the item, determined in the light of all the facts and circumstances in each case, must be allocated to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

In the case of a farming syndicate, a deduction for amounts paid for feed, seed, fertilizer, or other similar farm supplies shall only be allowed in the taxable year in which such items are actually used or consumed. For definitions, exceptions to the general rule, and special rules for poultry, see section 464. For special rules for orchard and vineyard expenses, see section 278.

**28. Taxable income.**—Effective for taxable years beginning after December 31, 1975, section 465 limits certain corporate

losses used in computing line 28 for the following activities:

- (a) holding, producing, or distributing motion picture films or video tapes,
- (b) farming (as defined in section 464(e)),
- (c) equipment leasing, or
- (d) exploring for, or exploiting, oil and gas resources.

The losses of these section 465 activities are limited to the aggregate amount with respect to which the corporation is "at-risk" for each separate activity at the close of the taxable year. The corporation is considered "at-risk" for an activity with respect to the amounts described in section 465(b)(1) and (2). The amounts borrowed are not considered to be "at-risk" if such amounts are excluded or excepted under section 465(b)(3) and (4).

Where the corporation is involved in more than one activity, and one or more of the activities is a section 465 activity with a loss for the year, then each section 465 activity profit and loss is to be computed separately. The corporation should attach a schedule reflecting the amount at-risk and gross income and deductions for each section 465 activity.

If a loss from a section 465 activity exceeds the amount the corporation is at-risk for the activity at the end of the taxable year, the amount that would otherwise be entered on line 28 of Form 1120S is to be modified for the excess. Only the allowable loss (described above) may be passed through to the shareholders for the taxable year. See Schedule K-1 Instructions. Any loss from an "at-risk" activity not allowed under this section for the taxable year shall be treated as a deduction allocable to such activity in the first succeeding taxable year.

See section 204(c)(2) and (3) of the Tax Reform Act of 1976 for special transitional rules relating to movies, video tapes, and leasing activities.

In applying the at-risk provisions to activities which were begun in taxable years beginning before January 1, 1976 (and not exempted by the above transition rules), amounts paid or incurred in taxable years beginning prior to that date and deducted in such taxable years will generally be treated as reducing first that portion of the corporation's basis which is attributable to amounts not at risk. Withdrawals made in taxable years beginning before January 1, 1976, will be treated as reducing the amount which the corporation is at risk.

**30. Minimum tax on tax preference items.**—Electing small business corporations are subject to the minimum tax only with respect to the capital gains item of tax preference and only to the extent that the gains are subject to the tax imposed by section 1378. Corporations having such capital gains in excess of \$10,000 must attach Form 4626, Computation of Minimum Tax.

All other items of tax preference, excluding capital gains, must be apportioned among the shareholders in a manner consistent with the way net operating losses are apportioned under section 1374(c)(1).

The capital gains are excluded from this apportionment since these gains are (1) passed through to the shareholders, (2) included in their income on Schedule D (Form 1040), to the extent provided under the rules in section 1375(a), and (3) included in the computation of the shareholders' capital gains tax preference.

## SCHEDULE J

### Tax Computation

Section 1378 imposes a tax on certain capital gains of an electing small business corporation.

If net long-term capital gain reduced by any net short-term capital loss (line 9(b), page 1) exceeds \$25,000 and you are not liable for the tax, attach an explanation why this tax does not apply. (Questions A through D in this section of the Instructions may be answered and this page attached to your return as an explanation.)

By answering the following questions, you can determine if you are liable for the tax.

If the answers to Questions A, B, and C or Questions A, B, and D are "Yes," the tax applies and you must complete Schedule J—Tax Computation on page 2. Otherwise, you are not liable for the tax.

**A. Does taxable income, line 28, page 1, exceed \$25,000?** ☐ Yes ☐ No

**B. Does net long-term capital gain reduced by any short-term capital loss (line 9(b), page 1) exceed \$25,000, and exceed 50% of taxable income (line 28, page 1)?** ☐ Yes ☐ No

**C. Have you been other than an 1120S corporation at any time during the 3 immediately preceding taxable years or since existence if less than 4 years?** ☐ Yes ☐ No

**D. If answer to Question C is "No," does the net long-term capital gain (line 6, Schedule D (Form 1120S)) represent gain from property described in items 1, 2, and 3 below?** ☐ Yes ☐ No

**1. Property acquired during the taxable year or within 36 months preceding the taxable year;**

**2. Property acquired, directly or indirectly, from a corporation, that was not in existence as an 1120S corporation during the taxable year or within 36 months preceding the taxable year up to the time of the acquisition; and**

**3. Property having a substituted basis (basis determined by reference to its basis in the hands of the transferor corporation) to you?**

If the answer to Question D is "Yes," and the tax is applicable, compute 30% of the excess of the net long-term capital gain over the net short-term capital loss attributable to property described in Question D. If this amount is less than the tax on line 9 or line 13, Schedule J, attach this amount on line 14 and note to the left of the amount, "Substituted Basis." (Section 1378(c)(3).)

**Members of a controlled group.**—If the corporation is a component member of a controlled group of corporations, see section 1561 and related regulations for rules on how to determine the surtax exemption.

**Capital gains tax.**—The capital gains tax rate for electing small business corporations is 30%.

For purposes of Questions C and D above, a corporation is not considered to be in existence for any taxable year that precedes the first taxable year in which the corporation has shareholders, acquires assets, or begins business, whichever occurs first.

## SCHEDULE K

### Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Line 1, 2, and 3.—Undistributed taxable income is taxable income less the sum of:

- (1) The taxes imposed by sections 56 and 1379(a), and
- (2) The amount of money distributed as dividends out of earnings and profits of the taxable year.

Distributions of money made within 2 months and 15 days after the close of the corporation's taxable year are treated as distributions of that prior year's undistributed taxable income to the extent of the shareholders' pro rata shares.

### Summary of Distributions and Other Items

Actual dividend distributions described on lines 4, 5, and 7 of Schedule K should be reported on Form 1099-DIV. The amount shown on line 7 of Schedule K (nondividend distribution) should be entered in the space provided for nontaxable distributions on Form 1099-DIV.

If a prior actual distribution reported to shareholders as ordinary income on Form 1099-DIV is determined to be capital gain at the close of the corporation's taxable year, the corporation must issue amended Forms 1099-DIV to the shareholders.

The constructive dividends, as described on lines 8 and 9 of Schedule K, must be reported on Schedule K-1.

Column 3.—If the number of shares owned by a shareholder changed during the year, attach a statement showing the number of shares held for each period.

Column 4.—Enter the compensation paid to each shareholder including any excess contributions to a pension, profit-sharing, etc. plan made on behalf of a shareholder-employee. Excess contributions are those deductible by the corporation under section 404(a)(1), (2), or (3) over the lesser of:

- (1) 15% of the compensation received or accrued by the shareholder-employee from the corporation during its taxable year, or
- (2) \$7,500.

A shareholder-employee of the corporation is an employee or officer who owns (or is considered as owning under section 318 (a)(1)) on any day of the taxable year of the corporation, more than 5% of its outstanding stock. The above excess contribution rule does not apply to contributions to a trust described in section 401(d)(6).

Line 4.—Enter the actual dividend distributions of money or property that are out of current earnings and profits and taxable as ordinary income. A dividend distribution of property does not reduce undistributed taxable income.

Line 5.—Enter actual dividend distributions that are to be treated by the shareholders as long-term capital gain after tax.

Line 6.—Only those dividends that are not considered to be out of the earnings and profits of the taxable year qualify for the dividend exclusion. For purposes of this rule, the earnings and profits of the tax-

able year are deemed not to exceed taxable income for the year. The dividends entitled to the exclusion would include, for example, dividends paid out of accumulated earnings and profits.

Line 7.—Enter the total amount of distributions of money and property not out of earnings and profits.

For taxable years after the first taxable year to which the Subchapter S election applies, include any distribution of undistributed taxable income previously taxed to shareholders as allowed by section 1375 (d). See section 1377(d) for purposes of determining whether a distribution is out of the corporation's undistributed taxable income previously taxed to shareholders.

Distributions of money made within 2 months and 15 days after the close of the taxable year are treated as nondividend distributions of such year's undistributed taxable income to the extent they do not exceed the shareholders' shares of undistributed taxable income for such year. (See section 1375(f).)

Line 8.—Enter that portion of undistributed taxable income that is to be treated by the shareholders as ordinary income. The undistributed taxable income is the amount that the shareholders would have received as a dividend if such income had been distributed pro rata to them on the last day of the corporation's taxable year.

A dividend distribution of property other than money, may cause the corporation's undistributed taxable income (line 3) to exceed the total of lines 8 and 9.

If there is a net operating loss for the taxable year, report it here.

Line 9.—Enter that portion of undistributed taxable income that is to be treated by the shareholders as long-term capital gain after tax.

The amount cannot exceed taxable income (line 28) for the taxable year computed as provided in section 1373(d).

Line 11. Interest on investment indebtedness.—List the amounts of interest on investment indebtedness, and the applications of: (1) net investment income or (loss), (2) excess expenses over rental income attributable to net lease property, and (3) excess net long-term capital gains over net short-term capital losses attributable to investment property which were included in the computation of the taxable income for the corporation. The interest on investment indebtedness is to be separated as to the period prior to September 11, 1975 and the period after September 10, 1975. This separation is to be made on the basis of when the related investment indebtedness was incurred by the corporation. (See section 209(b)(2) of the Tax Reform Act of 1976 as to when indebtedness is considered as incurred before September 11, 1975.)

Shareholders are to be notified of their pro rata share of the above information for purposes of computing their limitation on interest on investment indebtedness at the shareholder level. (See Form 4952 and section 163(d).)

Line 12.—Enter the amount of each item of tax preference. These amounts are also taken into account in computing the taxable income of the corporation in the regular manner but are subject (with certain reductions) to a minimum tax at the shareholder level. (See instruction 30.) These amounts are to be taken into account by the shareholder along with similar

items of tax preference from all other sources in preparing Form 4625, Computation of Minimum Tax.

## SCHEDULE K-1

### Shareholder's Share of Undistributed Taxable Income, etc.

Complete a separate Schedule K-1 (Form 1120S) for each shareholder, and file Copy A with Form 1120S.

Schedule K-1 (Form 1120S) must show complete information with respect to all persons who were shareholders of the corporation during any portion of the taxable year. Shareholders generally are taxed on their distributive shares of the current taxable income of the corporation, whether or not actually distributed. In addition to the undistributed taxable income, Schedule K-1 also includes each shareholder's pro rata share of losses from section 465 activities, items of tax preference, items used to compute the limitation for interest on investment indebtedness, property eligible for investment credit, and property subject to recapture of investment credit.

Report actual dividend distributions aggregating \$10 or more to a shareholder during the calendar year on Form 1099-DIV.

### PART I.—Income

Line 1.—Enter each shareholder's pro rata share of undistributed taxable income that is taxable as ordinary income. This amount is to be reported by the shareholder on Schedule E (Form 1040). Each shareholder's share of a net operating loss is also reported on line 1 and on Schedule E (Form 1040). (Note: The section 465 activity loss(es) included on line 28 of Form 1120S is also to be included on line 1, Part I and entered in Part II. The entry in Part I is only for information purposes to assist the shareholder in determining how much section 465 activity loss the shareholder is allowed to deduct on his or her individual tax return. See instructions for Part II (below) for an explanation of section 465 activity loss limitations.)

A shareholder's distributive share of a net operating loss may not exceed the adjusted basis of the shareholder's stock in the corporation plus the adjusted basis of any indebtedness of the corporation to the shareholder. (See section 1374.)

Actual dividend distributions taxable as ordinary income must be reported on line 1, Part I, Schedule B (Form 1040).

Line 2.—Enter each shareholder's pro rata share of undistributed long-term capital gain after tax. This amount is to be reported by the shareholder on Schedule D (Form 1040) as "net long-term gain from small business corporations (Subchapter S)."

Actual dividend distributions taxable as long-term capital gain must be reported on line 1, Part I, Schedule B (Form 1040).

Each shareholder is entitled to treat as long-term capital gain a portion of the sum of the dividends received plus his or her share of undistributed taxable income. The shareholder's portion is determined by applying to the excess of net long-term capital gain over net short-term capital loss (line 30b, page 1) reduced by any tax (line 31) the same ratio that the amount of each shareholder's dividends (actual

and constructive), which are out of earnings and profits of the current year, bears to the total dividends (actual and constructive) includable by all shareholders from the same source.

In making the allocation, the excess of net long-term capital gain over net short-term capital loss (reduced by tax) cannot exceed taxable income (line 28, page 1).

### PART II.—Losses from Section 465 Activities

Effective for taxable years beginning after 1975, special rules apply in the case of an electing small business corporation engaged in the following activities:

- (a) holding, producing, or distributing motion picture films or video tapes,
- (b) farming (as defined in section 464(e)),
- (c) equipment leasing, or
- (d) exploring for, or exploiting, oil and gas resources.

Section 465 provides that the amount of loss which may be deducted in connection with one of the above activities cannot exceed the aggregate amount with respect to which the shareholder is at risk for each such activity at the close of the taxable year.

A shareholder is generally considered at risk for the activity to the extent of the amount of money and the adjusted basis of the property the shareholder contributed to the activity plus any amounts borrowed for use in the activity with respect to which the shareholder has personal liability for payment from his or her personal assets or has pledged property, other than property used in such activity, as security for such borrowed amount (to the extent of the net fair market value of the taxpayer's interest in such property). (See section 465(b)(3) and (4) for exclusions and exceptions to the above general rule, and section 204(c)(2) and (3) of the Tax Reform Act of 1976 for special transitional rules concerning movies and video tapes and leasing activities.)

In applying the at risk provisions to activities which were begun in taxable years beginning before January 1, 1976 (and not exempted by the above transition rules), amounts paid or incurred in taxable years beginning prior to that date and deducted in such taxable years will generally be treated as reducing first that portion of the corporation's basis which is attributable to amounts not at risk. Withdrawals made in taxable years beginning before January 1, 1976, will be treated as reducing the amount which the corporation is at risk.

If the corporation is engaged solely in one or more of the above section 465 activities, or is engaged in other activities in addition to the section 465 activities, and one or more of the section 465 activities has an operating loss for the year, then the section 465 activity losses are to be entered in Part II. If (more than one section 465 activity loss is to be entered in Part II, attach a supporting schedule listing each loss separately.)

Any loss disallowed under section 465 for the taxable year shall be treated as a deduction allocable to such activity in the first succeeding taxable year. (See section 465.)

### PART III.—Interest on Investment Indebtedness

Each shareholder must be notified of his or her pro rata share of interest on investment indebtedness and the applicable items of: (1) net investment income or (loss), (2) excess expenses over rental income attributable to net lease property, and (3) excess net long-term capital gains over net short-term capital losses attributable to investment property which were included in the computation of the taxable income for the corporation. The shareholder, for purposes of reporting interest on investment indebtedness on Form 4952, is also to be notified as to which period (the period prior to September 11, 1975 or the period after September 10, 1975) the interest on investment indebtedness was related. This is to be based on which period the indebtedness giving rise to the interest was incurred. These items are combined with similar items from other sources to compute the shareholder's limitation on the deduction for interest incurred on investment indebtedness. (See Form 4952 and section 163(d).)

### PART IV.—Items of Tax Preference

All items of tax preference are taken into account by the shareholders, along with similar items from other sources, in preparing Form 4625, Computation of Minimum Tax. The items of tax preference, except capital gains, are apportioned to each shareholder on a daily basis and not as of the end of each year. This manner is consistent with the way net operating losses are apportioned under section 1374. (See section 1374 and instruction 30.)

### PART V.—Property Eligible for Investment Credit

Investment Credit.—Shareholders are allowed a tax credit on their individual returns for their share of the corporation's investment in certain depreciable property. Shareholders claiming the credit must attach Form 3468 to their returns.

In most cases, the investment credit rate is 10 percent for property acquired and placed in service during the taxable year. The additional 1% investment credit for amounts contributed to an employee stock ownership plan is not available in the case of an elected small business corporation.

The limit on the amount of used property eligible for the investment credit is \$100,000.

The investment credit also applies to progress payments made during the construction of property that requires at least two years to construct and that has an expected useful life of at least seven years.

### PART VI.—Property Used in Recomputing a Prior Year Investment Credit

When property is disposed of prior to the "life years" assigned, each shareholder must be notified. Each shareholder must recapture the amount by which the credit taken in a prior year or years exceeds the credit as recomputed due to the early disposition of the property. See section 1.47-4 of the regulations and instructions for Form 4255. For recomputation of the investment credit for qualified progress expenditures, see section 47(e)(3).

The tax from recomputing a prior year investment credit may not be offset against the current year's investment credit.

Credit for wages paid or incurred in Work Incentive (WIN) program.—Shareholders are allowed a WIN credit on their returns for their share of the WIN wages paid or incurred by the corporation. The credit is 20% of the salaries and wages paid or incurred to employees hired under a WIN program. The credit is allowed for the first 12 months of employment. For apportionment rules and limitations, see Form 4874 and sections 50A and 50B.

The corporation must attach a statement showing each shareholder's share of WIN wages for each WIN employee. This statement must also show each WIN employee's name, social security number, initial date of employment, and total WIN wage.

Shareholders must attach Form 4874 to their returns.

Tax from recomputing a prior year WIN credit.—If a WIN employee is dismissed after October 3, 1976, but within the first 90 days of employment (whether or not consecutive) or before the end of the 90th calendar day after the day in which such employee completes 90 days of employment, the WIN credit previously taken may be subject to recapture. However, if a WIN employee is dismissed before October 4, 1976, substitute "12 months" for the above "90 days" term. If so, each shareholder must be given a statement showing their share of WIN wages attributable to each such WIN employee and the employee's name, social security number, and period of employment. Each shareholder must add to his or her tax liability the prior credit taken with respect to each such WIN employee.

For exceptions and limitations, see Form 4874 and section 1.50A-5 of the regulations.

The tax from recomputing a prior year work incentive credit may not be offset against the current year's work incentive credit.

For more information obtain Publication 589, Tax Information on Subchapter S Corporations, from your local Internal Revenue office.

# Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification system developed by the Office of Management and Budget, Executive Office of the President, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard Industrial Classification used to classify establishments.

Using the list below, enter on page 1, under B, the code number for

the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means gross receipts (line 1, page 1) plus all other income (lines 4 through 10, page 1). On page 3, under H, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

## AGRICULTURE, FORESTRY, AND FISHING

Code  
0400 Agricultural production.  
0600 Agricultural services, forestry, fishing, hunting, and trapping.

### MINING

Metal mining:  
1010 Iron ores.  
1070 Copper, lead and zinc, gold and silver ores.  
1098 Other metal mining.  
1150 Coal mining.

Oil and gas extraction:  
1330 Crude petroleum, natural gas, and natural gas liquids.  
1380 Oil and gas field services.  
Nonmetallic minerals (except fuels) mining:  
1430 Dimension, crushed and broken stone; sand and gravel.  
1498 Other nonmetallic minerals, except fuels.

### CONSTRUCTION

General building contractors and operative builders:  
1510 General building contractors.  
1531 Operative builders.  
1600 Heavy construction contractors.  
Special trade contractors:  
1711 Plumbing, heating, and air conditioning.  
1731 Electrical work.  
1798 Other special trade contractors.

### MANUFACTURING

Food and kindred products:  
2010 Meat products.  
2030 Dairy products.  
2040 Preserved fruits and vegetables.  
2040 Grain mill products.  
2050 Bakery products.  
2060 Sugar and confectionery products.  
2081 Malt liquors and malt.  
2088 Alcoholic beverages, except malt liquors and malt.  
2089 Bottled soft drinks, and flavorings.  
2096 Other food and kindred products.  
2100 Tobacco manufactures.

Textile mill products:  
2228 Weaving mills and textile finishing.  
2250 Knitting mills.  
2258 Other textile mill products.

Apparel and other textile products:  
2315 Men's and boys' clothing.  
2345 Women's and children's clothing.  
2368 Hats, caps, millinery, fur goods, and other apparel and accessories.  
2390 Misc. fabricated textile products.

Lumber and wood products, except furniture:  
2415 Logging camps and logging contractors, sawmills and planing mills.  
2430 Millwork, plywood, and related products.  
2498 Other wood products, including wood buildings and mobile homes.  
2500 Furniture and fixtures.

Paper and allied products:  
2625 Pulp, paper, and board mills.  
2699 Other paper products.

Printing, publishing, and allied industries:  
2710 Newspapers.  
2720 Periodicals.  
2735 Books, greeting cards, and misc. publishing.  
2799 Commercial and other printing, and printing trade services.

Chemicals and allied products:  
2815 Industrial chemicals, plastics materials and synthetics.

Drugs:  
2830 Soap, cleaners, and toilet goods.  
2850 Paints and allied products.  
2898 Agricultural and other chemical products.

Petroleum refining and related industries (including those integrated with extraction):  
2910 Petroleum refining (including those integrated with extraction).

Rubber and misc. plastics products:  
2998 Other petroleum and coal products.  
3050 Rubber products; plastics footwear, hose and belting.

Leather and leather products:  
3140 Footwear, except rubber.  
3198 Other leather and leather products.

## Code Stones, clay, glass, and concrete products:

3225 Glass products.  
3240 Cement, hydraulic.  
3270 Concrete, gypsum, and plaster products.  
3298 Other nonmetallic mineral products.

### Primary metal industries:

3370 Ferrous metal industries; misc. primary metal products.  
3380 Nonferrous metal industries.

Fabricated metal products, except machinery and transportation equipment:  
3410 Metal cans and shipping containers.  
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.

3430 Plumbing and heating, except electric and warm air.  
3440 Fabricated structural metal products.  
3460 Metal forgings and stampings.  
3470 Coating, engraving, and allied services.  
3480 Ordnance and accessories, except vehicles and guided missiles.  
3490 Misc. fabricated metal products.

### Machinery, except electrical:

3520 Farm machinery.  
3530 Construction, mining, and materials handling machinery and equipment.  
3540 Metalworking machinery.  
3550 Special industry machinery, except metalworking machinery.  
3560 General industrial machinery.  
3570 Office, computing, and accounting machines.  
3598 Engines and turbines, service industry machinery, and other machinery, except electrical.

Electrical and electronic machinery, equipment, and supplies:  
3630 Household appliances.  
3668 Radio, television, and communication equipment.

3670 Electronic components and accessories.  
3698 Other electric equipment.

### Transportation equipment:

3710 Motor vehicles and equipment.  
3725 Aircraft, guided missiles and parts.  
3730 Ship and boat building and repairing.  
3798 Other transportation equipment.

Measuring and controlling instruments; photographic and medical goods, watches and clocks:  
3815 Scientific instruments and measuring devices; watches and clocks.  
3845 Optical, medical, and ophthalmic goods.  
3860 Photographic equipment and supplies.  
3998 Other manufacturing products.

## TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES

Transportation:  
4000 Railroad transportation.  
4100 Local and interurban passenger transit.  
4200 Trucking and warehousing.  
4300 Water transportation.  
4400 Transportation by air.  
4500 Pipeline, except natural gas.  
4700 Other transportation services.

Communication:  
4825 Telephone, telegraph, and other communication services.  
4830 Radio and television broadcasting.

Electric, gas, and sanitary services:  
4910 Electric services.  
4920 Gas production and distribution.  
4930 Combination utility services.  
4990 Water supply and other sanitary services.

### WHOLESALE TRADE

Durable:  
5008 Machinery, equipment, and supplies.  
5010 Motor vehicles and automotive equipment.  
5030 Lumber and construction materials.  
5050 Metals and minerals, except petroleum and scrap.

5060 Electrical goods.  
5070 Hardware, plumbing and heating equipment.  
5098 Other durable goods.

Nondurable:  
5110 Paper and paper products.  
5125 Drugs, chemicals, and allied products.  
5130 Apparel, piece goods, and notions.  
5140 Groceries and related products.

## Code 5150 Farm-product raw materials. 5180 Alcoholic beverages. 5190 Misc. nondurable goods.

### RETAIL TRADE

Building materials, hardware, garden supply, and mobile home dealers:  
5220 Building materials dealers.  
5251 Hardware stores.  
5265 Garden supplies and mobile home dealers.  
5300 General merchandise stores.  
5400 Food stores.

Automotive dealers and service stations:  
5515 Motor vehicle dealers.  
5541 Gasoline service stations.  
5598 Other automotive dealers.

5600 Apparel and accessory stores.  
5700 Furniture and home furnishings stores.  
5800 Eating and drinking places.  
Misc. retail stores:  
5912 Drug stores and proprietary stores.  
5921 Liquor stores.  
5995 Other misc. retail stores.

## FINANCE, INSURANCE, AND REAL ESTATE

Banking:  
6030 Mutual savings banks.  
6050 Bank holding companies.  
6090 Banks, except mutual savings banks and bank holding companies.  
Credit agencies other than banks:  
6120 Savings and loan associations.  
6140 Personal credit institutions.  
6150 Business credit institutions.  
6199 Other credit agencies.

Security, commodity brokers, dealers, exchanges, and services:  
6210 Security brokers, dealers, and flotation companies.  
6299 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.

Insurance:  
6355 Life insurance.  
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.

6359 Other insurance companies.  
6411 Insurance agents, brokers, and services.

Real Estate:  
6511 Real estate operators (except developers) and lessors of buildings.  
6516 Lessors of mining, oil, and similar property.

6518 Lessors of railroad property and other real property.  
6530 Condominium management and cooperative housing associations.

6550 Subdividers and developers.  
6599 Other real estate.

Holding and other investment companies:  
6742 Regulated investment companies.  
6743 Real estate investment trusts.  
6744 Small business investment companies.

6749 Holding and other investment companies, except bank holding companies.

### SERVICES

7000 Hotels and other lodging places.  
7200 Personal services.

Business services:  
7310 Advertising.  
7399 Business services, except advertising.

Auto repair and services; misc. repair services:  
7500 Auto repair and services.  
7600 Misc. repair services.

Amusement and recreational services:  
7812 Motion picture production, distribution, and services.  
7830 Motion picture theaters.

7900 Amusement and recreation services, except motion pictures.

Other services:  
8015 Offices of physicians, including osteopathic physicians.  
8021 Offices of dentists.

8050 Nursing and personal care facilities.  
8071 Medical laboratories.  
8099 Other medical services.  
8111 Legal services.  
8200 Educational services.  
8651 Political organizations.  
8799 Misc. services.



**Computation of Investment Credit**

▶ Attach to your tax return.

**1976**

Name

Identifying number as shown on page 1 of your tax return

1 Use schedule below to list qualified investment in new and used property acquired or constructed and placed in service during the taxable year, and also list qualified progress expenditures made during the 1976 taxable year and qualified progress expenditures made in 1974 and 1975 taxable years providing a proper election as prescribed in section 46(d)(6) was made for such prior years. If progress expenditure property is placed in service during the taxable year, do not list qualified progress expenditures for this property. See Specific Instruction for line 1.  
If 100% investment credit is being claimed on certain ships, check this block. ☐ See Instruction K for details.

Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

| Type of property  | Line | (1)<br>Life years         | (2)<br>Cost or basis<br>(See instruction G) | (3)<br>Applicable<br>percentage | (4)<br>Qualified investment<br>(Column 2 x column 3) |
|---|------|---------------------------|---|---------------------------------|--|
| New property  | (a)  | 3 or more but less than 5 |   | 33 1/3                          |  |
|   | (b)  | 5 or more but less than 7 |   | 66 2/3                          |  |
|   | (c)  | 7 or more                 |   | 100                             |  |
| Qualified progress expenditures 1974 and 1975             | (d)  | 7 or more                 |   | 20                              |  |
|   | (e)  | 7 or more                 |   | 40                              |  |
|   | (f)  | 3 or more but less than 5 |   | 33 1/3                          |  |
| Used property<br>(See instructions for dollar limitation) | (g)  | 5 or more but less than 7 |   | 66 2/3                          |  |
|   | (h)  | 7 or more                 |   | 100                             |  |

- 2 Qualified investment—add lines 1(a) thru (h) . . . . .
- 3 10% of line 2 . . . . .
- 4 7% (4% for public utility property) of certain property (see instruction for line 1) . . . . .
- 5 Electing corporations with qualifying stock ownership plans—Enter 1% of line 2 (see instruction I). (Attach election statement.) . . . . .
- 6 Carryback and carryover of unused credit(s). See instruction F—attach computation . . . . .
- 7 Tentative investment credit—Add lines 3, 4, 5 and 6 . . . . .

**Limitation**

- 8 (a) Individuals—Enter amount from line 18, page 1, Form 1040 . . . . .
- (b) Estates and trusts—Enter amount from line 24 or 25, page 1, Form 1041 . . . . .
- (c) Corporations—Enter amount from line 9, Schedule J, page 3, Form 1120 . . . . .
- 9 Less: (a) Credit for the elderly (individuals only) . . . . .
- (b) Foreign tax credit . . . . .
- (c) Tax on lump-sum distributions (see instruction for line 9(c)) . . . . .
- (d) Possession Tax Credit (corporations only) . . . . .
- 10 Total—Add lines 9(a), (b), (c) and (d) . . . . .
- 11 Line 8 less line 10 . . . . .
- 12 (a) Enter amount on line 11 or \$25,000, whichever is lesser. (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 12.) . . . . .
- (b) If line 11 exceeds line 12(a), enter 50% of the excess. (Public utilities, railroads, and airlines see instruction J.) . . . . .
- 13 Total—Add lines 12(a) and (b) . . . . .
- 14 Investment credit—Amount from line 7 or line 13, whichever is lesser. Enter here and on line 50, Form 1040; line 10(b), Schedule J, page 3, Form 1120; or the appropriate line on other returns . . . . .

**Schedule A** If any part of your investment in line 1 or 4 above was made by a partnership, estate, trust, small business corporation, or lessor, complete the following statement and identify property qualifying for the 7% or 10% investment credit.

| Name<br>(Partnership, estate, trust, etc.) | Address | Property              |     |      | Life years |
|--|---------|-----------------------|-----|------|------------|
|  |         | Progress expenditures | New | Used |            |
|  |         | \$                    | \$  | \$   |            |
|  |         |                       |     |      |            |
|  |         |                       |     |      |            |

If property is disposed of prior to the life years used in computing the investment credit, see instruction E.

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**Instructions for Form 3468**  
**Computation of Investment Credit**

(References are to the Internal Revenue Code)

**New Provisions of the Tax Reform Act of 1976**

- (1) The 10% credit has been extended through December 31, 1980.
- (2) The additional 1% credit for employer contributions to an employee stock ownership plan has been extended through December 31, 1980.
- (3) The \$100,000 limitation on used property has been extended through December 31, 1980.
- (4) Investment credit carryovers are to be used before the investment credit earned in the current year. (See instruction F.)
- (5) Special investment credit rules apply to railroads, airlines, ships, and movies and television films. (See instructions J, K, and L.)

**General Instructions**

**A. Who Must File.**—Any individual, estate, trust, or corporation, claiming an investment credit must attach this form to its income tax return.

Partnerships and small business corporations are not required to file this form because the credit is claimed by the partners and shareholders, but they must complete Schedule K on their returns showing the allocation of investment credit property and qualified progress expenditures to the partners and shareholders.

The investment credit is not applicable to a Domestic International Sales Corporation (DISC) and does not pass through to any DISC shareholder.

An estate or trust is allowed a credit for its share of the investment in certain depreciable property with an estimated useful life of 3 or more years. Estates and trusts that apportion the investment between themselves and the beneficiaries should, in addition to filing this form, attach a statement showing the allocation of the investment among the beneficiaries. The statement must show each beneficiary's allocable share of (1) the basis of the new property and (2) the cost of used property, and the "life years" assigned to the property. If the estate or trust has made an election under section 46(d), the statement must show each beneficiary's allocable share of the qualified progress expenditures made by the estate or trust.

**B. When Allowed.**—The credit is allowed for the first year the qualified property is placed in service or the year in which progress expenditures are made (see section 46(d)(4)(F) for exceptions).

**C. Property Defined.**—You are allowed a credit against your tax for investment in certain depreciable property with an estimated useful life of 3

years or more or for qualifying progress expenditures for property with a useful life of 7 years or more. Except as provided below, the investment credit is applicable to:

- (1) tangible personal property,
- (2) elevators and escalators,
- (3) other tangible property, including certain real property (except buildings and their structural components and land) if used as an integral part of manufacturing, production, or extraction, etc., or used as a research facility or bulk storage facility for fungible commodities in connection with these activities, and
- (4) livestock (other than horses) if substantially identical livestock (not subject to recapture tax) is not sold or disposed of (except in an involuntary conversion) during the one-year period beginning 6 months before the acquisition date. You must reduce the cost of the acquired livestock by the amount realized on the disposition of the substantially identical livestock.

The investment credit is not applicable to:

- (1) certain property used predominantly outside the U.S.;
- (2) property used for lodging or in connection with furnishing lodging, except (a) property used in certain commercial facilities located therein (such as a restaurant), (b) property used by a hotel or motel, or (c) coin-operated vending machines, washing machines, and dryers;
- (3) property owned by or leased to a tax-exempt organization (except when the unrelated business income tax applies);
- (4) property owned by or leased to governmental units; and
- (5) that portion of a pollution control facility, railroad rolling stock, coal mine safety equipment expenditures, rehabilitation of low income rental housing, job training facilities, or day care facilities (see sections 169, 184, 187, 167(k), or 188, respectively) that the taxpayer has elected to amortize over a 5-year period.

**D. Election for Leased Property.**—A lessor may elect to treat all or part of an investment in new property as if made by the lessee instead of the lessor. (See section 48(d).) For limitation on availability of the credit to certain lessors, see section 46(e)(3).

**E. Recomputed Tax on Early Disposition of Property.**—If property is disposed of prior to the life-years category

used in computing the investment credit, recompute the credit using as the useful life the period the property was actually held. In recomputing the credit, use the life categories shown on Form 3468. If the credit taken, including carrybacks and carryovers, is more than the recomputed credit, you must increase the tax for the year of disposition by the excess. You may use Form 4255 to compute the tax increase.

For recomputation of the investment credit for qualified progress expenditures, see section 47(a)(3).

**F. Carryback and Carryover of Unused Credits.**—Any part of an investment credit you cannot use because it exceeds the amount allowable (including any unused credit created by the carryback of a net capital loss or a net operating loss) may be carried back 3 years and forward 7 and may be used to the extent permissible within the limitations applicable in those years.

**Special rule for carryover of unused credits from taxable years ending before 1971.**—Unused credits from taxable years ending before 1971 that can be carried over to a taxable year beginning after 1970, may be carried forward for a total of 10 years.

Unused credits not absorbed because of the special 20% limitation on carryovers and carrybacks to years beginning after 1968 and before 1971 may be carried forward a total of 10 years.

You may make a claim for refund based upon the carryback of an unused investment credit by filing Form 1040X (individuals) or Form 1120X (corporations), for the year to which the unused credit is carried. Taxpayers who want a tentative (quick) refund may file Form 1045 (individuals) or Form 1139 (corporations).

**Priority of Application of Credits.**—The limitation is first absorbed by:

- (a) investment credit carryovers to current year, then by
- (b) investment credit earned in current year, and then by
- (c) investment credit carrybacks.

**G. Basis and Cost.**—The credit for new property applies to the basis of the property. The credit for used property applies to the cost of the property. The cost of used property does not include the basis of any property traded in unless the trade-in resulted in the recapture of all or any portion of an investment credit previously allowed or in a reduction of an investment credit carryback or carryover.

No adjustment for additional first-year depreciation or salvage value is required.

For purposes of the investment credit, the useful life of the qualifying property must be the same as the useful life used for depreciation or amortization.

**H. Qualified Progress Expenditures.**—A taxpayer, by attaching a statement to Form 3468 may elect under section 46(d) to increase qualified investment for the taxable year by the aggregate qualified progress expenditures made after January 21, 1975 and during the taxable year for the construction of property which has a normal construction period of 2 years or more if such property will be new section 38 property and will have an estimated useful life of 7 years or more in the hands

of the taxpayer when it is placed in service. See section 46(d).

The amount of qualified progress expenditures which may be taken into account in a taxable year beginning in 1976 is the sum of (a) 40% of the qualified progress expenditures (defined in section 46(d)(3)) made in a taxable year beginning in 1976 plus (b) 20% of the qualified progress expenditures made in a taxable year beginning in 1975 plus (c) 20% of the qualified progress expenditures made in a taxable year beginning in 1974 and ending after January 21, 1975, providing an election has been in effect for such years. See section 46(d)(7).

**I. 11% Investment Credit (Applicable to Corporations Only).**—Corporate taxpayers may elect the 11% investment credit with respect to qualified investment in property which is otherwise eligible for the 10% credit, if an amount equal to 1% of the qualified investment is contributed to an employee stock ownership plan.

A corporation may elect an additional 1% credit by attaching a statement to Form 3468. This election may not be made unless the corporation meets the requirements in section 46(a)(2)(B).

**J. Public Utilities, Railroads, or Airlines.**—For taxable years ending before 1981 for public utilities (for a taxable year ending after calendar year 1976 and before calendar year 1983 for railroads and airlines), if the amount of qualified investment for the taxable year which is attributable to public utility property (or railroad property) (or airline property) is 25% or more of the aggregate qualified investment for the taxable year, the alternative limitation under section 46(a)(7) (public utilities), 46(a)(8) (railroads), or 46(a)(9) (airlines), will apply.

**K. Ships.**—An investment credit equal to 50 percent of the normal investment credit is allowed for certain vessels which are acquired, constructed, or reconstructed with funds withdrawn from the untaxed portion of a capital gain account or out of an ordinary income account in a capital construction fund established under section 607 of the Merchant Marine Act of 1936.

For purposes of computing the credit, the amount of cost and/or qualified progress expenditures is 50 percent of the qualified withdrawal from the capital construction fund. Where a taxpayer purchases a vessel with borrowed funds and uses withdrawals from the capital construction fund to pay off the indebtedness, see section 46(g)(4). See section 46(g)(1) through (6) for additional details.

**Note:** If you claim 100 percent in lieu of the 50 percent stated above, you are required to check the block in the instruction for line 1 on the front of Form 3468.

**L. Movie and television films.**—See section 48(k) for special rules relating to the computation of investment credit for movies and television films.

Special rules apply and special elections have to be made within prescribed times

regarding films placed in service during taxable years beginning before January 1, 1975. (See section 48(k) of the Code and section 804 of the Tax Reform Act of 1976.)

## Specific Instructions

**Line 1. New Property.**—Enter the basis of property (as described in instructions C and G) placed in service during the taxable year.

**Qualified Progress Expenditures.**—Enter on line 1(d) the amount of qualified progress expenditures made in taxable years 1974 and 1975. Enter on line 1(e) the amount of qualified progress expenditures made in taxable year 1976. See instruction H and section 46(d)(7).

No qualified progress expenditures shall be taken for the year the progress expenditure property is placed in service or the tax year for which recapture is required for the property. The investment credit allowed for the year the property is placed in service is based on the entire qualified investment in the property reduced by the progress expenditures included as qualified investment in previous years.

**Example:** In February 1975 a calendar year taxpayer starts construction of investment credit property which is expected to be completed in December 1977. The completed property will have an estimated useful life of 10 years and the taxpayer elects to treat the property as progress expenditure property. The taxpayer makes qualified progress expenditures of \$20,000 in 1975 and \$40,000 in 1976. The property is completed and placed in service in December 1977 with \$50,000 expenditures being made in 1977. Thus, total expenditures of \$110,000 were made in the three years.

| Taxable Year  | Qualified Progress Expenditures | Progress Expenditures taken into account as qualified investment during each taxable year |                 |
|---------------|---------------------------------|---|-----------------|
|               |                                 | 1975  | 1976            |
| 1975          | \$20,000                        | \$4,000*  | \$4,000*        |
| 1976          | \$40,000                        | —   | \$16,000**      |
| 1977          | —                               | —   | —               |
| <b>Totals</b> | <b>\$60,000</b>                 | <b>\$4,000</b>  | <b>\$20,000</b> |

\*20% of \$20,000  
\*\*40% of \$40,000

The allowable qualified investment for the property for 1977 is \$86,000 (\$110,000 less the \$24,000 progress expenditures taken into account as qualified investment during the prior taxable years 1975 and 1976). The \$86,000 would be reported as "New Property with life of 7 years or more" on the 1977 Form 3468.

**Note:** A 7% (4% for public utility property) investment credit is allowed for qualified investment in property which was acquired or constructed prior to January 22, 1975 and placed in service during the taxable year. The investment credit for this property is to be claimed on line 4 of Form 3468. (Attach schedule.)

**Used Property.**—Enter the cost (subject to dollar limitation below) of used

property placed in service during the taxable year. See instruction G. Property inherited, received as a gift, or acquired from certain related parties does not qualify for the investment credit.

**Dollar Limitation on Used Property.**—In general, the amount of used property you may take into account may not exceed \$100,000 (determined without regard to the applicable percentages based on useful life).

If a husband and wife file separate returns, each may claim up to \$50,000 unless one of them has no qualifying used property, in which case the other may claim up to \$100,000.

The amount of used property placed in service by a partnership, small business corporation, estate, or trust that may be taken into account may not exceed \$100,000. The \$100,000 limitation also applies to each partner, shareholder, and beneficiary.

A controlled group of corporations (see section 48(c)(3)(C)) must apportion the \$100,000 limitation among the component members of the group based on the total cost of used property each member placed in service. Make the apportionment without regard to both the \$100,000 limitation and the applicable percentages based on useful life.

**Estates and Trusts.**—In case of an estate or trust the amount of investment is apportioned between the estate or trust and the beneficiaries based on the income of the estate or trust allocable to each.

**Line 9(c). Tax on Lump-Sum Distributions.**—Enter the amount of partial tax included in line 8 by the recipients of lump-sum distributions from qualified employees' trusts or annuity plans.

**Line 12. Limitation.**—If the tax liability (line 11) is \$25,000 or less, the investment credit may not exceed the amount of the tax liability.

If the tax liability exceeds \$25,000, the credit may not exceed \$25,000 plus 50% of the excess.

If a husband and wife file separate returns and both are entitled to an investment credit, compute the limitation by substituting \$12,500 for the \$25,000 shown in line 12(a).

Controlled corporate groups (see section 46(a)(6)) must apportion the \$25,000 among all component members.

An estate or trust must reduce the \$25,000 amount to (a) \$25,000 multiplied by (b) the qualified investment apportioned to the estate or trust, divided by (c) the aggregate qualified investment apportioned among the estate or trust and its beneficiaries.

Section 593 organizations, regulated investment companies or real estate investment trusts subject to taxation under subchapter M, and cooperative organizations described in section 1381(a) are limited regarding the qualified investment and the \$25,000 amount under section 46(a)(3). See section 46(e).

**Computation of Minimum Tax**  
(In general, this form is to be filed only if the items of tax preference exceed \$10,000. Exceptions pertain to certain members of a controlled group and certain estates and trusts—see instructions.)  
▶ Attach to your tax return.**1976**For Corporations and Fiduciaries.—To be attached to Forms 1120, 1120F, 1120L, 1120M, 1120S, 1041, and 990-T.  
See "Note" in General Instructions before completing Form 4626.

Name as shown on tax return

Employer Identification Number

**Schedule A To Be Completed By All Filers****1 Tax preferences:****(a) Accelerated depreciation on real property—**

- (1) Low-income rental housing under section 167(k) . . . . .
- 
- (2) Other real property . . . . .

**(b) Accelerated depreciation on leased personal property. (Does not apply to a corporation other than an electing small business corporation and a personal holding company) . . . . .****(c) Amortization of certified pollution control facilities . . . . .****(d) Amortization of railroad rolling stock . . . . .****(e) Amortization of on-the-job training facilities . . . . .****(f) Amortization of child care facilities . . . . .****(g) Stock options (not applicable to corporations) . . . . .****(h) Reserves for losses on bad debts of financial institutions . . . . .****(i) Depletion . . . . .****(j) Capital gains . . . . .****(k) Excess itemized deductions (Does not apply to a corporation other than an electing small business corporation and a personal holding company) . . . . .****(l) Intangible drilling costs (Does not apply to a corporation other than an electing small business corporation and a personal holding company) . . . . .****2 Total items of tax preference—Add lines 1(a) through 1(l) . . . . .****3 Enter \$10,000 exclusion (Estates, trusts and controlled groups—See Specific Instructions) . . . . .****4 (a) Enter regular tax deduction (See Specific Instructions) . . . . .****(b) Corporations (excluding an electing small business corporation and a personal holding company) with taxable years beginning before July 1, 1976 enter, if applicable, the tax carryover. (Attach computation. See Specific Instructions.) . . . . .****(c) Add lines 4(a) and 4(b) . . . . .****5 Enter greater of line 3 or 4(c) . . . . .****6 Line 2 less line 5 . . . . .****7 Enter 15% of line 6 . . . . .****8 Amount of net operating loss for 1976 remaining as a carryover to a succeeding year (attach computation) . . . . .****9 Deferred minimum tax—Enter the lesser of line 8 multiplied by 15%, or line 7 . . . . .****10 Line 7 less line 9 . . . . .****11 Enter minimum tax deferred from prior year(s) until this year (See Specific Instructions) . . . . .****12 Add lines 10 and 11. This is the total minimum tax for an estate, trust, electing small business corporation, or personal holding company which is to be entered on the appropriate line of the income tax return (ignore Schedule B on page 2). Corporate filers (excluding an electing small business corporation and a personal holding company) complete Schedule B . . . . .**

218-153-1

Form **4626** (1976)**Schedule B To Be Completed Only By Corporations Other Than Electing Small Business Corporations and Personal Holding Companies****13 Enter total of tax preference items from line 2 . . . . .****14 Enter \$30,000 exclusion. (Controlled groups—See Specific Instructions) . . . . .****15 Line 13 less line 14 . . . . .****16 (a) Taxes imposed under Chapter 1 of the Code for the taxable year other than accumulated earnings tax and minimum tax reduced by the sum of the foreign tax credit, investment credit, and WIN credit . . . . .****(b) Plus tax carryover to the taxable year (attach computation—See Specific Instructions) . . . . .****17 Line 15 less line 16 . . . . .****18 Enter 10% of line 17 . . . . .****19 Amount of net operating loss for 1976 remaining as a carryover to a succeeding year (attach computation) . . . . .****20 Deferred minimum tax—Enter the lesser of line 19 multiplied by 10% or line 18 . . . . .****21 Line 18 less line 20 . . . . .****22 Enter minimum tax deferred from prior year(s) until this year (see Specific Instructions) . . . . .****23 Minimum tax—Add lines 21 and 22 . . . . .****24 Subtract line 23 from line 12 . . . . .****25 Enter 50% of line 24 . . . . .****26 Total minimum tax for corporate taxpayers. Add lines 23 and 25 and enter here and on the appropriate line of the income tax return . . . . .**

218-153-1

## General Instructions

(References are to the Internal Revenue Code.)

**Note:** In general, for taxable years beginning after December 31, 1975, the Tax Reform Act of 1976 increased the minimum tax rate from 10% to 15%, added additional tax preference items primarily affecting non-corporate taxpayers, electing small business corporations, and personal holding companies, and reduced the exemption from minimum tax. Furthermore, a corporation (excluding an electing small business corporation and a personal holding company) with a taxable year beginning in 1976, is to compute a minimum tax based on the rules in effect before enactment of the Act plus one-half of the increase in minimum tax attributable to the new rules contained in the Act. Therefore, estates, trusts, electing small business corporations, and personal holding companies need only complete Schedule A—Corporate taxpayers (excluding electing small business corporations and personal holding companies), complete Schedules A and B.

**Who Must File.**—All taxpayers (other than individuals, certain members of a controlled group, and certain estates and trusts) having items of tax preference in excess of \$10,000 and who are not exempt from income tax imposed by Chapter 1 of the Code, or who are exempt organizations that have unrelated business income taxable under section 511, must complete Form 4626 and attach it to their return whether or not the minimum tax applies. Also, Form 4626 must be filed if there is any minimum tax liability deferred from prior taxable year until this year. If this is a short period return, see the note in the Specific Instructions for lines 3 and 14.

A member of a controlled group (as defined in section 1563(a)) that has items of tax preference of \$10,000 or less, does not have to file Form 4626 unless the items of tax preference exceed the amount of the exclusion allocated to it. See Specific Instructions for line 3.

**Estates or trusts having tax preference items of \$10,000 or less allocated to the estate or trust do not have to file Form 4626 unless the items of tax preference exceed the amount of the exclusion apportioned to the estate or trust. See Specific Instructions for line 3.**

**Financial Institutions.**—A financial institution (to which section 585 or 593 applies) in computing its minimum tax need only complete lines 1 (ignore lines 1(k) and (l)) and 2 of Schedule A, and lines 13 through 23 (ignore lines 24, 25 and 26) of Schedule B. Enter minimum tax from line 23 on the appropriate line of the income tax return. For purposes of completing line 1(b), only compute the tax preference on personal property subject to a net lease. If timber income is involved, use minimum tax rules with respect to such income that were in effect before enactment of the Tax Reform Act of 1976 (ignore special rules applicable to timber income as explained in the next instruction).

**Timber.**—Special rules apply for timber income of corporations. See section 57(a)(9)(C) (relating to capital gain tax preference reduction for timber), section 56(d) (relating to regular tax deduction adjustment for timber), and section 56(e) (relating to tax carryover for timber). For purposes of completing Schedule A, if section 57(a)(9)(C) applies, adjust the amount for the reduction on line 1(j) accordingly (also,

if Schedule B is to be completed, increase the amount on line 13 by the amount of the reduction computed under section 57(a)(9)(C)); if section 56(d) applies, adjust the amount on line 4(a) accordingly; and, if section 56(e) applies, adjust the amount on line 4(b) accordingly.

**Regulated Investment Companies and Real Estate Investment Trusts.**—The amount of net long-term capital gain in excess of the net short-term capital loss of a regulated investment company or a real estate investment trust is to be treated as an item of tax preference only to the extent that such item is not taken into account as income by shareholders. Accelerated depreciation on real property is taken into account in full as a tax preference item of real estate investment trusts and is not included in the apportionment of tax preferences to shareholders as described in the following paragraph.

The remaining items of tax preference of regulated investment company and a real estate investment trust are used in computing the minimum tax in the same proportion that the taxable income of such company or trust (section 852(b)(2) or 857(b)(2)) bears to taxable income computed without regard to the deduction for dividends paid. The remaining proportion of tax preferences is treated as items of tax preference of each shareholder of such company or trust in the same proportion that dividends (other than capital gains dividends) paid to each shareholder bears to taxable income of such company or trust computed without regard to the deduction for dividends paid. The company or trust must advise shareholders of their portion of each item of tax preference. Such item will then enter into the computation of each item of tax preference by shareholders.

**Electing Small Business Corporations.**—Electing small business corporations are subject to the minimum tax only with respect to capital gains and only to the extent such gains are subject to the tax imposed by section 1378. All other items of tax preference are to be apportioned among the shareholders in a manner consistent with section 1374(c)(1). The capital gains are excluded from the apportionment since such gains are actually passed through to shareholders and are includible in their income to the extent provided under the rules in section 1375(a) and will thus enter into the computation of the shareholders' capital gains tax preference. Each item will retain its character for purposes of the shareholders' computation of each item of tax preference.

**Estates and Trusts.**—Tax preference items of an estate or trust are to be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each. If the items of tax preference apportioned to the estate or trust do not exceed its allowable exclusion, the estate or trust does not have to file Form 4626. The apportionment of the tax preference items (amortization, depreciation, depletion, intangible drilling costs and capital gains under the existing estate or trust rules serve to effectively allocate the estate or trust for the purpose of computing their respective minimum tax on items of tax preference.

In determining the sum of the items of tax preference, the excess itemized deductions of the estate or trust must be taken into account and allocated between the estate or trust and the beneficiaries. See sections 57(b) and 58(c).

**Participants in Common Trust Funds.**—Items of tax preference of a common trust fund (as defined in section 584(a)) for each taxable year of the fund are treated as items of tax preference of the participants of such fund. Each item of tax preference, except capital gains, is apportioned pro rata among the participants and enters into their own computation of each item of tax preference. Capital gains are passed through to participants under the rules in section 584(c) and enter into the participants' computation of capital gains tax preference.

**Foreign Source Tax Preference Items.**—Tax preferences attributable to foreign sources are to be included for purposes of computing the minimum tax only to the extent they result in foreign losses which reduce the tax imposed on U.S. income. Stock options (line 1(g)) and capital gains (line 1(j)) attributable to foreign sources are to be taken into account as tax preferences only if the tax laws of the foreign country or U.S. possession give them preferential treatment. Transfer of stock and sales and exchanges of capital assets shall be considered as having received preferential treatment if such country or possession imposes no significant amount of tax on such item.

**Domestic International Sales Corporations (DISC).**—Domestic International Sales Corporations are not subject to the minimum tax.

## Specific Instructions

(Numbered to correspond with line numbers on pages 1 and 2.)

**Limitations on Amounts Treated as Tax Preference Items in Certain Cases.**—See proposed Income Tax Regulations sec. 1.57-4 for limitations on amounts treated as tax preference items in certain cases where the item of tax preference resulted in no tax benefit. If limitations apply, attach schedule showing computation.

### Line 1.—Tax preferences:

(a) Accelerated depreciation on real property is depreciation allowable on each section 1250 property (as defined in section 1250(c)) to the extent it exceeds the depreciation deduction which would have been allowable for the year under the straight line method. A separate computation of the excess must be made for each property.

(1) Enter the excess depreciation attributable to expenditures to rehabilitate low-income rental housing (as defined in section 167(k)(3)). The excess depreciation is the amount that exceeds the depreciation deduction which would have been allowable under the straight line method without regard to the useful life permitted under section 167(k).

(2) Enter the excess depreciation on all other section 1250 property.

(b) Accelerated depreciation on leased personal property is depreciation allowable on each section 1245 property (as defined in section 1245(a)(3)) which is the subject of a lease to the extent it exceeds the depreciation deduction which would have been allowable for the year under the straight line method, determined without regard to the Asset Depreciation Range variance in useful life. A separate computation of the excess must be made for each property.

### Amortization of—

- (c) Certified pollution control facilities;
- (d) Railroad rolling stock;
- (e) On-the-job training facilities; and,
- (f) Child care facilities.

With respect to each certified pollution control facility, unit of railroad rolling stock, on-the-job training facility and child care facility, enter the amount by which the amortization allowable exceeds the depreciation deduction otherwise allowable.

(g) Stock options.—The tax preference amount is the amount by which the fair market value of a share of stock at the time of exercise of a qualified stock option or a restricted stock option (as defined in sections 422(b) and 424(b)) exceeds the option price.

(h) Reserves for losses on bad debts of financial institutions.—The tax preference amount applies only with respect to financial institutions subject to section 585 or 593. It is the amount by which the deduction allowable for the taxable year for a reasonable addition to a reserve for bad debts exceeds the amount that would have been allowable had the institution maintained its bad debt reserve for all taxable years on the basis of actual experience.

(i) Depletion.—The tax preference amount applies to each property as defined in section 611. It is the excess of the deduction for depletion allowable under section 611 for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year).

(j) Capital gains.—Generally, for a taxpayer other than a corporation, the amount of capital gains tax preference is one-half of the excess of net long-term capital gain over net short-term capital loss for the taxable year. However, if an estate or trust realizes a long-term capital gain and pays or, in some cases, permanently sets aside the amount of the gain to a charitable organization (see section 642(c)), the capital gains deduction under section 1202 is not to be treated as an item of tax preference.

In the case of a corporation, the capital gains item of tax preference applies only if the alternative tax under section 1201 or other comparable section applies for the taxable year.

If the alternative tax does apply, the capital gains tax preference may be determined by the following formula: A minus B divided by .48.

- (A) Tax on taxable income as computed under section 11 or other comparable section minus
- (B) Alternative tax on taxable income as computed under section 1201 or other comparable section.

48

Foreign corporations take capital gains into account only to the extent such gains are effectively connected with the conduct of a trade or business in the United States.

(k) Excess itemized deductions.—The amount of the excess itemized deductions

for any taxable year is the amount by which the sum of the deductions for the taxable year other than—

(1) deductions allowable in arriving at adjusted gross income, and

(2) the deduction for casualty losses described in section 165(c)(3), exceeds 60 percent (but does not exceed 100 percent) of the adjusted gross income for the taxable year. Adjusted gross income for taxpayers other than individuals shall be computed in accordance with the principles of section 62 as if such taxpayers were individuals. In the case of a trust or estate, any deduction, allowed or allowable under section 642(c) (see section 57(b)(2) for limitations), 642(d), 642(e), 642(f), 651(a), 661(a) or 691 for such taxable year and any deduction allowed or allowable for costs paid or incurred in connection with the administration of such trust or estate for such taxable year shall be treated as a deduction allowable in arriving at adjusted gross income.

(l) Intangible drilling cost.—The tax preference amount is the excess of the intangible drilling and development costs described in section 263(c) paid or incurred in connection with oil and gas wells, other than costs incurred in drilling a non-productive well, allowable under chapter 1 of the Code for the taxable year over the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in section 57(d)) had been used with respect to such costs.

**Lines 3 and 14. Exclusion.**—The \$10,000 exclusion (line 3) and the \$30,000 exclusion (line 14) must be divided equally among the component members of a controlled group of corporations (as defined in section 1563(a)) unless all component members consent to a plan providing for an unequal allocation. (Section 1.58-1(c)(3) of Proposed I.R. Regulations.)

The exclusion for estates or trusts (line 3) must be reduced to an amount which is that percent of \$10,000 that the sum of the tax preference items allocated to the estate or trust is of the total tax preference items.

If a return is made for a period of less than 12 months, refer to section 443(d) for computation of the exclusion.

**Note:** If line 2 is more than the adjusted exclusion (section 443(d)), file this form even though no minimum tax is due.

**Line 4(a). Regular tax deduction.**—A corporation (other than an electing small business corporation and a personal holding company) shall enter the total of taxes imposed under chapter 1 of the Code for the taxable year (other than the accumulated earnings tax and minimum tax), reduced by the sum of the foreign/possession tax credit, investment credit, and WIN credit.

Estates, trusts, electing small business corporations, and personal holding companies enter an amount equal to one half of the taxes imposed under chapter 1 of the Code for the taxable year (other than the tax on lump sum distributions as defined in section 402(e), personal holding company tax, and minimum tax) reduced

by the sum of the foreign/possession tax credit, investment credit, and WIN credit.

**Lines 4(b) and 16(b). Tax carryover.**—In general, if for a taxable year beginning before 1976, (1) the taxes imposed under chapter 1 of the Code (other than accumulated earnings tax and minimum tax), reduced by the sum of the foreign tax credit, investment credit, and WIN credit exceeds (2) the sum of the items of tax preferences in excess of \$30,000, then the excess of (1) over (2) shall be a tax carryover to a taxable year beginning in 1976. For purposes of completing Schedule A, only corporations (excluding an electing small business corporation and a personal holding company) with a taxable year beginning before July 1, 1976 shall, if applicable, enter an amount on line 4(b). For purposes of completing Schedule B, corporations (excluding an electing small business corporation and a personal holding company) regardless of when their taxable year began in 1976 shall, if applicable, enter an amount on line 16(b).

If this carryover is from more than one prior year, use the carryover from the earliest year first. Attach a schedule showing computation of the carryover.

**Lines 11 and 22. Minimum tax deferred from prior year(s).**—If a net operating loss carryover from 1975 reduces taxable income for 1976, and the carryover resulted in the deferral of minimum tax in 1975, all or part of the deferred minimum tax must be includible on lines 11 and 22 as a tax liability imposed for 1976 (computed at the 10% rate in effect for 1975).

The deferred minimum tax is to be included on lines 11 and 22 to the extent the portion of the net operating loss carryover attributable to the deferred minimum tax reduces taxable income. For purposes of computing the amount attributable, the portion of the net operating loss carryover which is not attributable to the deferred minimum tax has priority and is applied in reducing taxable income before such other portion.

### Example:

A taxpayer sustained a net operating loss (NOL) in 1975; \$1,000 of which remained as a carryover to 1976. Minimum tax on \$800 of tax preferences (after minimum tax exclusion) was deferred in 1975 because of the NOL. Therefore, \$800 of the \$1,000 1975 NOL carryforward is attributable to tax preferences and \$200 constitutes the remaining portion which is not attributable. The 1976 taxable income (before adjustment under section 172(b)(2)) is \$600.

- (a) Amount of NOL carryover from 1975 which reduced 1976 taxable income . . . \$600
- (b) Amount of 1975 NOL carryforward not attributable to tax preferences . . . \$200
- (c) Amount of 1975 NOL attributable to tax preferences which reduced taxable income in 1976 (line (a) less line (b)) . . . \$400
- (d) Amount of 1975 deferred minimum tax imposed as tax liability for 1976 (line (c) × minimum tax rate of 10%) . . . \$40

Because of adjustments to taxable income required under section 172(b)(2), the portion of the \$1,000 NOL carryover absorbed in 1976 may exceed the \$600 used to reduce taxable income. The actual amount of NOL carryover remaining would be used in the subsequent year's computation.

Form **4874**Department of the Treasury  
Internal Revenue Service**Credit for Work Incentive  
(WIN) Program Expenses**  
▶ Attach to your tax return.**1976**

Name \_\_\_\_\_ Identifying number as shown on page 1 of your tax return \_\_\_\_\_

**Qualified Work Incentive Program Salaries and Wages and Federal Welfare Recipient Employment Incentive Expenses****1** WIN wages (including Federal welfare recipient employment incentive expenses other than expenses paid or incurred to employees hired after September 7, 1976 in connection with a child day care services program for the period of September 8, 1976 through September 30, 1977) paid or incurred to employees:**Note:** Nonbusiness Federal welfare recipient employment incentive expenses incurred by the taxpayer are limited to \$5,000 per employee for the taxable year. Include your share of WIN wages paid or incurred to each employee by a partnership, estate, trust, or small business corporation.

| Name of employee | Social security number | Date employment began | Current year's WIN wages |
|------------------|------------------------|-----------------------|--------------------------|
| (a)              |                        |                       |                          |
| (b)              |                        |                       |                          |
| (c)              |                        |                       |                          |

- 2** Total of lines 1(a) through (c) . . . . .
- 3** Tentative credit (20% of line 2) . . . . .
- 4** Carryback and carryover of unused WIN credits (see instruction for line 4—attach computation) . . . . .
- 5** Total—Add lines 3 and 4 . . . . .

**6** Federal welfare recipient employment incentive expenses paid or incurred to employees hired after September 7, 1976 in connection with a child day care services program for the period of September 8, 1976 through September 30, 1977.**Note:** Federal welfare recipient employment incentive expenses paid or incurred to employees in connection with a child day care services program is limited to \$5,000 for each employee.

| Name of employee | Social security number | Date employment began | Current year's WIN wages |
|------------------|------------------------|-----------------------|--------------------------|
| (a)              |                        |                       |                          |
| (b)              |                        |                       |                          |
| (c)              |                        |                       |                          |

- 7** Total of lines 6(a) through (c) . . . . .
- 8** Tentative credit (20% of line 7) . . . . .

**Limitation**

- 9 (a)** Individuals—Enter amount from line 18, page 1, Form 1040 . . . . .
- (b)** Estates and trusts—Enter amount from line 24 or 25, page 1, Form 1041 . . . . .
- (c)** Corporations—Enter amount from line 9, Schedule J, page 3, Form 1120 . . . . .
- 10 Less:**
- (a)** Credit for the elderly (individuals only) . . . . .
  - (b)** Foreign tax credit . . . . .
  - (c)** Investment credit . . . . .
  - (d)** Credit for contributions to candidates for public office (individuals only) . . . . .
  - (e)** Tax on lump-sum distribution (see instruction for line 10(e)) . . . . .
  - (f)** Possession tax credit (corporations only) . . . . .

- 11 Total—Add lines 10(a) through (f) . . . . .**
- 12** Line 9 less line 11 . . . . .

- 13 (a)** If line 12 is \$25,000 or less, enter line 12. (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 13.) . . . . .
- (b)** If line 12 is more than \$25,000, enter the amount computed in accordance with the formula in instruction for line 13. (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 13.) . . . . .

**14** WIN credit limitation for WIN wages other than Federal welfare recipient employment incentive employee wages paid or incurred in connection with a child day care services program—Enter amount from line 13(a) or (b) . . . . .**15** Enter lesser of line 5 or line 14 . . . . .**16** Line 12 less line 15 . . . . .**17** WIN credit limitation for Federal welfare recipient employment incentive employee wages paid or incurred in connection with a child day care services program—Enter amount from line 8 or line 16, whichever is lesser . . . . .**18** Total allowable WIN credit—Add lines 15 and 17 (enter here and on line 53, Form 1040; line 10(c), Schedule J, page 3, Form 1120; or the appropriate line on other returns) . . . . .**Schedule A** If any part of the above WIN wages (including Federal welfare recipient employment incentive expenses) was paid or incurred by a partnership, estate, trust, or small business corporation, complete the following:

| Name and address (partnership, estate, trust, etc.) | Name of employee | Amount |
|---|------------------|--------|
|   |                  |        |
|   |                  |        |
|   |                  |        |

Form **4874** (1976)**General Instructions**

(References are to the Internal Revenue Code.)

Employers may claim an income tax credit of 20 percent of (1) the salaries and wages they paid for the first 12 months employment of a worker hired under a Work Incentive (WIN) Program plus (2) the amount of Federal welfare recipient employment incentive expenses paid or incurred after March 29, 1975 and before January 1, 1980, except that the WIN credit for Federal welfare recipient employment incentive expenses paid or incurred in connection with a child day care services program is allowable for the period of September 8, 1976 through September 30, 1977. The child day care services program WIN credit is only for wages paid (up to \$5,000 for each employee) to eligible employees hired after September 7, 1976. The credit does not affect an employer's deduction of the salaries and wages as a business expense. The credit is allowed and computed under sections 40, 50A and 50B.

**A. Who Must File.**—Any individual, estate, trust, or corporation claiming a tax credit for WIN wages must attach this form to its income tax return.

Small business corporations and partnerships are not required to file this form because the shareholders and partners claim the credit.

Small business corporations and partnerships must attach to their income tax return a statement showing the allocation to each shareholder or partner of its WIN wages with respect to each WIN employee and Federal welfare recipient employment incentive employee. This statement must also show each such employee's name, social security number, date employment began and the WIN wages paid or incurred.

An estate or trust that apportions the WIN wages between itself and the beneficiaries should, in addition to filing this form, attach a statement showing the allocation of the WIN wages for each employee between the estate or trust and each beneficiary.

For further details on the allocation of WIN wages see sections 1.50B-2, 3, and 4 of the regulations.

**B. WIN Wages.**—The term "WIN wages" means the sum of:

(A) the amount of wages paid or incurred by the taxpayer for services rendered during the first 12 months of employment (whether or not consecutive) of employees who are certified by the Secretary of Labor as—

- (1) having been placed in employment under a WIN program established under section 432 (b)(1) of the Social Security Act, and
- (2) not having displaced any individual from employment, plus

(B) Effective after June 30, 1976, the amount of Federal welfare recipient employment incentive expenses paid or incurred by the taxpayer during the first 12 months of employment (whether or not consecutive) for services rendered to the taxpayer by an eligible employee. (Note: Such expenses paid before July 1, 1976 are not limited to the 12-month period stated above.)

An eligible employee for purposes of Federal welfare recipient employment incentive expenses is an individual—

- (1) who has been certified by the Secretary of Labor or by an appropriate agency of State or local government as being eligible for financial assistance under Part A of title IV of the Social Security Act and as having continuously received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the taxpayer,
- (2) who has been employed by the taxpayer for a period in excess of 30 consecutive days on a substantially full-time basis, and
- (3) who has not displaced any other individual from employment, and

(4) who is not a migrant worker.

An eligible employee includes an employee of the taxpayer whose services are not performed in connection with a trade or business of the taxpayer.

A migrant worker for purposes of Federal welfare recipient employment incentive expenses means an individual who is employed for services for which the customary period of employment by one employer is less than 30 days if the nature of such services requires that such individual travel from place to place over a short period of time.

WIN wages paid must be comparable to wages paid to non-WIN employees for comparable services.

The term "salaries and wages" means only cash remuneration (including amounts deducted and withheld).

**C. Limitations.**

(1) The WIN wages of WIN employees must be incurred in a trade or business. However, Federal welfare recipient employment incentive expenses may be incurred for services that are not performed in connection with a trade or business.

(2) Expenses paid or incurred with respect to WIN employees cannot be taken into account with respect to Federal welfare recipient employment incentive expenses. Expenses paid or incurred with respect to Federal welfare recipient employment incentive employees cannot be taken into account with respect to WIN employees.

(3) Nonbusiness Federal welfare recipient employment incentive expenses incurred by the taxpayer are limited to \$5,000 per employee for the taxable year.

(4) The credit cannot be claimed on WIN wages for which the employer is reimbursed.

(5) The WIN employee and Federal welfare recipient employment incentive employee must work in the United States.

(6) No WIN wages may be taken into account after the end of the 24-month period beginning with the date of initial employment of the WIN employee.

The initial date of employment is the date the WIN employee and Federal welfare recipient employment incentive employee reported to the employer for work.

(7) The WIN employee and Federal welfare recipient employment incentive employee cannot be closely related to the employer as determined under section 152(a)(1) through (8), or a dependent of the employer as determined under section 152(a)(9).

If the employer is a corporation, such employee cannot be closely related to, or a dependent of, any individual who directly or indirectly owns more than 50% in value of the outstanding stock of the corporation as determined under section 267(c).

If the employer is an estate or trust, such employee cannot be a grantor, beneficiary, or fiduciary of the estate or trust, or a dependent of such grantor, beneficiary, or fiduciary.

**D. Recapture of WIN Credit.**—Effective for the period after October 3, 1976 (Note: For the period before October 4, 1976, substitute "12 months" for "90 calendar days" and "90 days" in the following), the employer must repay any tax credit previously taken on the WIN wages paid or incurred with respect to a WIN employee, if:

- (1) the WIN employee is dismissed before the end of the first 90 calendar days of employment (whether or not consecutive) or during the following 90 calendar days,
- (2) the employer makes his working conditions so intolerable that he is compelled to quit,

(3) the employer pays less than the wages paid to other employees performing comparable services.

The recaptured credit is added to the tax liability for the year the employee is dismissed (or the year comparable wages are not paid). The recapture provisions do not apply with respect to a Federal welfare recipient employment incentive employee. They also do not apply to a WIN employee who:

- (1) voluntarily quits work,
- (2) was dismissed due to misconduct as determined under the applicable State unemployment compensation law, or
- (3) becomes disabled and cannot return to work within the first 90 days of employment (whether or not consecutive) or during the following 90 calendar days, or
- (4) was terminated after October 3, 1976 due to a substantial reduction in the trade or business operations of the taxpayer.

For further details see sections 1.50A-3 and 4 of the regulations.

**Specific Instructions**

Mutual savings institutions, regulated investment companies, real estate investment trusts, and cooperatives—see section 1.50B-5 of the regulations for special limitations.

**Line 1.**—Enter the amount of WIN wages paid or incurred to each employee other than eligible Federal welfare recipient employees whose services are performed in connection with a child day care services program. Nonbusiness Federal welfare recipient employment incentive expenses incurred by the taxpayer are limited to \$5,000 per employee for the taxable year.

**Estates and Trusts.**—In the case of an estate or trust the WIN wages are apportioned between the estate or trust and the beneficiaries on the basis of the estate or trust income allocable to each.

**Small Business Corporations and Partnerships.**—In the case of a small business corporation or partnership, the WIN wages are prorated among the shareholders or partners.

A small business corporation must prorate the WIN wages among those who are shareholders on the last day of the corporation's taxable year.

**Line 4. Priority of Application of Unused Credits.**—The limitation is first absorbed by (1) credit for WIN employee wages for the current year; and then by (2) unused WIN credits from taxable years beginning after 1971.

**Line 10(e). Tax on Lump-Sum Distributions.**—Enter the amount of partial tax included in line 9 by the recipients of lump-sum distributions from qualified employees' trusts or annuity plans.

**Line 13. Limitation.**—Generally, if the tax liability (line 12) is \$25,000 or less, the credit may not exceed the amount of the tax liability.

Effective after October 3, 1976, the limitation based on amount of the tax was increased. If your taxable year includes October 3, 1976 and if the tax liability (line 12) exceeds \$25,000, the credit is limited to the amount computed in accordance with the following formula:

$$\left[ \begin{aligned} & \$25,000 - 50\% \text{ of amount by which} \\ & \text{line 12 exceeds } \$25,000 \\ & \times \left( \frac{\text{Number of days in taxable year before 10/4/76}}{\text{Number of days in taxable year}} \right) \\ & + \left( \frac{\text{Less: line 12} + 50\% \text{ of amount by which} \\ & \text{line 12 exceeds } \$25,000}{\text{Number of days in taxable year after 10/3/76}} \right) \end{aligned} \right]$$

**Note:** Taxpayers with taxable years beginning after October 3, 1976, will use the above formula. If their tax liability is \$50,000 or less, the credit may not exceed the amount of the tax liability. If their tax liability exceeds \$50,000, the credit limitation is \$50,000 plus 50% of the excess. However, married individuals, controlled groups, and estates and trusts, see section 50A(a)(4), 50A(a)(5), and 50B(a), respectively.

If a husband and wife file separate returns and both are entitled to the WIN credit, compute the limitation by substituting (1) \$12,500 in the place of the \$25,000 in line 13(a), (2) \$12,500 in the place of \$25,000 in the first half of the formula, and (3) \$25,000 in the place of \$50,000 in the second half of the formula.

Controlled corporate groups (see section 1563(a)) must apportion (1) the \$25,000 contained in line 13(a), (2) the \$25,000 in the first half of the formula, and (3) the \$50,000 in the second half of the formula among all component members. A component member's consent to an apportionment plan is made by a statement signed by an authorized person stating that the member consents to the apportionment plan. The controlled group must file annually a consent to an apportionment plan.

For an estate or trust the \$25,000 contained in line 13(a) and the \$25,000 and \$50,000 amounts in the formula must be reduced to (a) each such amount multiplying (b) the qualified salaries and wages apportioned to the estate or trust, divided by (c) the aggregate qualified salaries and wages apportioned among the estate or trust and its beneficiaries.

**Note:** The overall limitation discussed above does not apply to the WIN credit for Federal welfare recipient employees whose services are performed in connection with a child day care services program. The total WIN credit for wages paid to such employees is limited to the amount computed on line 17 of Form 4874.

**Unused Credit.**—If the credit for the tax year is more than the allowable amount, the unused portion may be carried back three years (but not to years beginning before 1972) and then forward seven years from the year the unused credit originated.

U.S. GOVERNMENT PRINTING OFFICE: 1976-O-218-168

Form **970**(Rev. Mar. 1976)  
Department of the Treasury  
Internal Revenue Service**Application to Use LIFO Inventory Method**

▶ Attach to your tax return.

Name \_\_\_\_\_ Identifying number (See instruction B) \_\_\_\_\_

Address (Number, street, city, State and ZIP code) \_\_\_\_\_

The taxpayer named above hereby applies to adopt and use the LIFO inventory method provided by section 472. This method is to be applied for the first time as of the close of the taxable year ending \_\_\_\_\_, to the following specified goods (see instruction C; use additional sheets if necessary):

The taxpayer agrees to make any adjustments incident to the change to or from the LIFO method, or incident to its use, in the inventories of prior taxable years or otherwise, as Internal Revenue deems necessary to clearly reflect income for the years involved.

1. Nature of business \_\_\_\_\_

2. Inventory method used up to this time \_\_\_\_\_

3. (a) Was the closing inventory of the specified goods at the end of the immediately preceding taxable year valued at cost, as required by section 472(d)? ☐ Yes ☐ No

(b) Were the adjustments resulting from the change to LIFO taken into income of the prior year by filing an amended return? ☐ Yes ☐ No

4. List goods subject to inventory but which are not to be inventoried under the LIFO method \_\_\_\_\_

5. (a) Did you issue credit statements, or reports to shareholders, partners, other proprietors, or beneficiaries, covering the first taxable year to which this application refers? ☐ Yes ☐ No

(b) If "Yes," state to whom, and on what dates \_\_\_\_\_

(c) Show the inventory method used in determining income, profit, or loss in those statements \_\_\_\_\_

6. Method used to determine the cost of the goods in the closing inventory in excess of those in the opening inventory. (See section 1.472-2, of the regulations.)

☐ Most recent purchases ☐ Earliest acquisitions during the year ☐ Average cost of purchases during the year ☐ Other—Attach explanation

7. Method used in valuing LIFO inventories

☐ Unit method ☐ Dollar-value method

8. (a) If pools are used, list and describe contents of each pool \_\_\_\_\_

(b) Describe briefly the cost system used \_\_\_\_\_

(c) Method used in computing LIFO value of dollar-value pools

☐ Double extension method ☐ Other method (if other, describe and justify—see last paragraph of instruction F.)

**Signature**

Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

The Internal Revenue Service does not require a seal on this form, but if one is used, please place it here.

Date \_\_\_\_\_

Signature of taxpayer \_\_\_\_\_

Date \_\_\_\_\_

Signature of officer \_\_\_\_\_

Title \_\_\_\_\_

Form **970** (Rev. 3-76)**Instructions**

(References are to the Internal Revenue Code.)

**A. LIFO inventory method.**—The LIFO inventory method, as described in section 472, may be adopted and used only if the taxpayer makes an election with his income tax return. This election must be made for the taxable year as of the close of which the LIFO method is first to be used. The election must be made on Form 970 or in a statement that contains the information required by Form 970. (See section 1.472-3(a) of the regulations.)

**B. Identifying number.**—The identifying number for an individual is his social security number. For all others, it is their employer identification number.

**C. Analysis of inventory.**—Enter the taxable year you will first use the LIFO method and specify in detail the goods to which it is to be applied.

Attach a detailed analysis of all inventories as of the beginning and end of the taxable year for which you first propose to use the LIFO method and as of the beginning of the preceding taxable year. Also include the ending inventory as reported on your return for the preceding taxable year. Prepare this analysis in accordance with sections 1.472-2 and 1.472-3 of the regulations.

**D. Change to LIFO method.**—You may not change to the LIFO method unless you agree to and make any adjustments incident to the change to or from that method, or incident to its use, in the inventories of prior taxable years or otherwise, as Internal Revenue deems necessary to clearly reflect income for the years involved. See Revenue Procedure 76-6, 1976-7 IRB 24 for further information.

**E. Change from LIFO method.**—The LIFO inventory method, once adopted, is irrevocable and must be used in all subsequent years unless the Commissioner requires or permits you to change to another method.

**F. Dollar-value method.**—You may elect to determine the cost of your LIFO inventories under the so-called "dollar-value" LIFO method, provided you use that method consistently and that it clearly reflects income in accordance with section 1.472-8 of the regulations.

Section 1.472-8(b) of the regulations tells how manufacturers and processors may establish dollar-value LIFO pools. Subject to the provisions of that section, you may use natural business unit pools, multiple pools, or raw materials content pools.

Section 1.472-8(c) of the regulations tells how wholesalers, retailers, jobbers, and distributors may establish dollar-value LIFO pools.

Section 1.472-8(e) of the regulations describes the methods for computing the LIFO value of a dollar-value pool. If you do not use the "double-extension" method, as described in section 1.472-8(e)(2) of the regulations, to compute the value of the dollar-value pool, furnish a statement describing the method used in sufficient detail to determine whether it meets the standards of section 1.472-8(e)(1) of the regulations.

**G. Signature.**—If the application is filed by a corporation, it must be signed by the president, vice president, treasurer, assistant treasurer or chief accounting officer, or by a corporate officer (such as a tax officer) authorized to sign.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1976-O-353-380