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by Adrian Dungan

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Sole Proprietorship Returns, Tax Year 2015

by Adrian Dungan

For Tax Year 2015, there were approximately 25.2 million individual income tax returns that reported nonfarm sole proprietorship activity, a 2.4-percent increase from 2014. Total nonfarm sole proprietorship profits rose to \$331.8 billion in 2015, a 4.7-percent increase over the previous year. In constant dollars, total profits increased by 3.5 percent for 2015. Total profits as a percentage of business receipts were 23.0 percent for 2015, the second highest level in this data series which begins with 1988. The largest percentage increase in profits was reported by the real estate sector, which increased 15.1 percent or \$3.7 billion. The professional, scientific, and technical services sector accounted for 25.1 percent of total profits, the largest of any sector. Total profits in the sector rose to \$83.3 billion, a 6.5-percent increase for 2015.

For sole proprietorships as a whole, receipts increased 3.6 percent, while deductions increased 3.2 percent. The construction sector reported the largest percentages of total business

receipts (15.9 percent) and total business deductions (17.1 percent). The real estate sector reported the largest rise in business receipts, with a 13.6-percent increase. The administrative support and waste management services sector experienced the largest downturn in receipts, losing \$3.2 billion or 4.3 percent. The transportation and warehousing sector reported the largest drop in deductions, with a decline of \$2.9 billion or 3.2 percent.

Returns and Receipts

Between 2014 and 2015, the number of individual income tax returns reporting nonfarm sole proprietorship activity increased 2.4 percent to 25.2 million (Figure A).¹ The transportation and warehousing sector had the largest percentage increase in number of returns among all sectors for 2015 (25.0 percent). No sector has experienced such a large percentage increase or decrease since at least 1988. Growth in ride-sharing businesses, such as Uber and Lyft, could have contributed to this large

Figure A

Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Selected Industrial Sector, Tax Years 2014 and 2015

[Number of returns is in thousands—money amounts are in billions of dollars]

Selected industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	2014	2015	Percentage change	2014	2015	Percentage change	2014	2015	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All nonfarm industries	24,631.8	25,226.2	2.4	1,393.9	1,443.6	3.6	1,078.5	1,112.8	3.2
Construction	2,732.0	2,696.8	-1.3	213.2	229.7	7.7	177.9	189.7	6.7
Wholesale trade (merchant wholesalers)	347.4	371.1	6.8	57.1	58.0	1.7	52.2	53.0	1.5
Retail trade	2,399.0	2,460.6	2.6	187.9	184.8	-1.7	177.4	173.5	-2.2
Transportation and warehousing	1,295.6	1,619.6	25.0	105.9	102.8	-2.9	91.1	88.2	-3.2
Finance and insurance	626.1	636.2	1.6	81.0	90.1	11.1	60.7	69.7	14.9
Real estate and rental and leasing	1,144.6	1,214.7	6.1	68.1	77.4	13.6	43.8	49.3	12.7
Professional, scientific, and technical services	3,329.4	3,486.6	4.7	180.9	196.3	8.5	102.8	113.1	10.0
Administrative and support and waste management services	2,639.8	2,472.0	-6.4	74.7	71.5	-4.3	52.4	50.7	-3.2
Health care and social assistance	2,145.7	2,181.4	1.7	120.1	121.9	1.5	70.6	72.1	2.1
Arts, entertainment, and recreation	1,545.6	1,499.7	-3.0	40.0	39.1	-2.2	30.3	29.7	-1.9
Other services	3,269.8	3,512.2	7.4	103.5	112.1	8.3	76.1	82.7	8.7
All other sectors	3,156.9	3,075.4	-2.6	161.4	160.0	-0.9	143.3	141.1	-1.5

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and inclusion of any "passive loss" carryover from prior years.

NOTES: Detail may not add to totals because of rounding. Percentages were calculated before rounding.

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

¹ For 2015, the 25,226,245 nonfarm sole proprietorship returns accounted for an estimated 28,311,383 nonfarm businesses. For purposes of the statistics, if a proprietor owned more than one business, the statistics for each business were combined with those of the proprietor's dominant business and included in the industrial group for that business activity. When this occurred, the sum of net incomes (for businesses reporting a positive net income) reduced by the sum of net deficits (for businesses reporting a deficit) yielded the profits for a specific industrial group.

The North American Industry Classification System (NAICS) was used to classify data by industries for 2015.

These classifications were applied on a "per business" (rather than on a "per establishment") basis for Statistics of Income by combining various industry groups, although businesses were further combined as described above.

While the wording of the industry titles used for the sole proprietorship statistics diverge somewhat from those appearing in NAICS, the definitions are consistent.

The North American Industry Classification System for industrial coding was introduced in Tax Year 1998. Prior to 1998 industries were classified using the Standard Industrial Classification (SIC). Due to coding changes, comparisons between data by industry from 1998 through 2015 with 1997 and prior years may show inconsistencies. A reason for this was that several types of sole proprietorships under the NAICS system were classified in completely different industrial groups, which makes prior-year comparisons under the SIC system inappropriate. For example, in 1997, finance, insurance, and real estate were classified as one industry under the SIC system, while, under the NAICS system, the group has been split into two industrial sectors. The industrial sectors based on the NAICS codes are reported in Tables 1 and 2.



increase in the number of returns with transportation and warehousing income. The sector with the largest number of returns was the other services sector, mainly comprised of personal and laundry services, which had a 7.4-percent increase to 3.5 million returns.

Total business receipts (the sum of “income from sales and operations” and “other business income”) for all nonfarm sole proprietorship industries increased 3.6 percent, from \$1,393.9 billion to \$1,443.6 billion.² The industry with the largest percentage gain in business receipts for 2015 was the real estate sector with an increase of 13.6 percent. The finance and insurance sector had the second largest percentage gain, increasing by 11.1 percent from \$81.0 billion to \$90.1 billion. Construction experienced the largest dollar increase in receipts, which rose by \$16.4 billion. The industry that showed the largest decrease in business receipts for 2015 was the administrative support and waste management services sector, which declined by 4.3 percent. In constant dollar terms, total business receipts for nonfarm sole proprietorships in 2015 increased 2.5 percent to \$1,312.4 billion (Figure B),³ still below the peak level of \$1,360.6 billion for 2007.

Deductions

Total business deductions (“cost of sales and operations” plus business expenses, including expenses for home office) in current dollars increased 3.2 percent from \$1,078.5 billion for 2014 to \$1,112.8 billion for 2015 (Figure A).^{4,5} In constant dollars, total business deductions increased 2.1 percent for 2015.

Deductions for the construction sector, the largest sector in terms of total business deductions, increased 6.7 percent from \$177.9 billion for 2014 to \$189.7 billion for 2015. The finance and insurance sector had the largest percentage increase of total business deductions, increasing 14.9 percent to \$69.7 billion.

The cost of sales and operations, which represented 38.8 percent of total 2015 business deductions (\$431.7 billion), increased 3.6 percent from 2014 (Figure C). Total business “expenses” (total business deductions minus the cost of sales and operations) were \$681.1 billion for 2015, a 2.9-percent increase from the 2014 amount. The main components of total business expenses are highlighted in Figure D. The two largest components were car and truck expenses accounting for \$89.8 billion (13.2 percent) and salaries and wages accounting for \$89.4 billion (13.1 percent).

Historically, constant dollar depreciation increased almost every year from 1993 through 2003.⁶ From 2004 to 2012, it generally declined (Figure E), but it increased between 2012 and 2015. Increases in 2003, 2008, and 2010 coincided with legislative changes to section 179 of the Internal Revenue Code that substantially impacted the amount of certain investment property that could be expensed in a given year (rather than depreciated over time). Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the maximum allowable section 179 deduction vaulted from \$24,000 for 2002 to \$100,000 for 2003. The change led to a constant dollar depreciation increase of 11.7 percent for 2003, which was the highest growth in depreciation of any year between 1988 and 2015. But the initial jump in depreciation was followed in subsequent years by trends of decreased depreciation, which is consistent with deductions being accelerated into the year of expensing. From 2004 through 2007, constant dollar declines of depreciation were reported for all 4 years. This downward trend was pronounced in 2005, as constant dollar depreciation fell by 11.7 percent, followed by decreases of 3.2 percent in 2006 and 1.0 percent in 2007. During this same 4-year period, section 179 limits gradually increased for inflation, finally rising to \$125,000 for 2007.⁷ For 2008, the section 179 limit was doubled to \$250,000, and

² Statistics for “business receipts, total” in Table 2 represent the total receipts of the business, mainly gross receipts from sales and operations. Business receipts also include miscellaneous business receipts, such as incidental sales of scrap, shown separately in the statistics as “other business income.” However, business receipts exclude incidental investment income received through the business. Examples of such incidental investment income are interest, dividends, income or loss from rents or royalties, and capital or ordinary gain or loss from the sale of investment and business property. Sole proprietors report incidental investment income, in combination with nonbusiness related investment income, as part of their total income on their individual income tax returns.

³ Based on the overall implicit price deflator for Gross Domestic Product (GDP). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*. Indices used for this article were:

Year	Indices	Year	Indices	Year	Indices	Year	Indices
1988	61.982	1995	75.324	2002	85.039	2009	100
1989	64.392	1996	76.699	2003	86.735	2010	101.221
1990	66.773	1997	78.012	2004	89.12	2011	103.311
1991	68.996	1998	78.859	2005	91.988	2012	105.214
1992	70.569	1999	80.065	2006	94.814	2013	106.913
1993	72.248	2000	81.887	2007	97.337	2014	108.828
1994	73.785	2001	83.754	2008	99.246	2015	109.998

⁴ Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which is reported on the attached Schedule C, *Profit or Loss From Business* (or, to a lesser extent, on Schedule C-EZ, *Net Profit From Business*). Salaries paid to owners are neither deducted as wages paid on Schedule C nor included as wages received on the Form 1040. Similarly, sole proprietors deduct charitable contributions made through the business as personal expenses on Schedule A, *Itemized Deductions*. However, the owner of a sole proprietorship may choose to deduct any foreign taxes paid as a business expense, unless the owner elects to claim these taxes as a credit against U.S. income tax.

⁵ Business deductions include the home office business deductions. After 1990, home office expenses were calculated separately on Form 8829, *Expenses for Business Use of Your Home*, and the deductible portion brought forward to the Schedule C. In some cases, these expenses were limited. Starting with 2013, sole proprietors could also use a simplified method to determine these costs by reporting on the Schedule C square footage (up to 300 square feet) used for the home office. The taxpayer then could take \$5 per square foot as the expense. Prior to 1990, these expenses were not limited and were included with other expenses, such as depreciation deductions, utilities, and “other” expenses on Schedule C.

⁶ Under section 179 of the Internal Revenue Code, the cost of certain tangible property may be treated as a current expense rather than a capital expenditure subject to depreciation deductions. The Omnibus Budget Reconciliation Act of 1993 (OBRA93) increased the maximum amount of investment that could immediately be deducted on property placed in service after 1992, from \$10,000 to \$17,500. The increase in the constant dollar depreciation deductions for 1993, and subsequent decline in 1995, may be attributed, in part, to this provision of OBRA93. Following the enactment of this provision, the 179 deduction for all individuals (not just sole proprietors) filing Form 4562, *Depreciation and Amortization*, increased 32.4 percent to \$13.5 billion for 1993.

⁷ Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the maximum amount of a section 179 deduction increased from \$24,000 for 2002 to \$100,000 for 2003; \$102,000 for 2004; \$105,000 for 2005; and \$108,000 for 2006. This was further expanded to \$125,000 for 2007 by the Small Business and Work Opportunity Tax Act of 2007 (PL 110-28). The Jobs Creation and Worker Assistance Act of 2002 introduced 30-percent bonus depreciation, and the Jobs and Growth Tax Relief Reconciliation Act of 2003 increased the bonus percentage to 50 percent, for property placed in service by January 1, 2005. While bonus depreciation was available to sole proprietors, it was generally not as advantageous as immediate expensing and, therefore, likely had less effect on their depreciation deductions.

Figure B

Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1988–2015

[Money amounts are in billions of dollars]

Tax year	Total business receipts			Total business deductions [1]			Net income less deficit (profits)		
	Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]	
		Amount	Percentage change		Amount	Percentage change		Amount	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	672.0	1,084.2	[3]	545.7	880.4	[3]	126.3	203.8	[3]
1989	692.8	1,075.9	-0.8	560.2	870.0	-1.2	132.7	206.1	1.1
1990	730.6	1,094.2	1.7	589.2	882.4	1.4	141.4	211.8	2.8
1991	712.6	1,032.8	-5.6	571.2	827.9	-6.2	141.5	205.1	-3.2
1992	737.1	1,044.5	1.1	583.1	826.3	-0.2	154.0	218.2	6.4
1993	757.2	1,048.1	0.3	600.8	831.5	0.6	156.5	216.6	-0.8
1994	790.6	1,071.5	2.2	623.8	845.5	1.7	166.8	226.1	4.4
1995	807.4	1,071.9	[4]	638.1	847.2	0.2	169.3	224.7	-0.6
1996	843.2	1,099.4	2.6	666.5	868.9	2.6	176.8	230.5	2.6
1997	870.4	1,115.7	1.5	683.9	876.6	0.9	186.6	239.3	3.8
1998	918.3	1,164.4	4.4	716.2	908.1	3.6	202.3	256.5	7.2
1999	969.3	1,210.7	4.0	761.4	951.0	4.7	207.9	259.7	1.3
2000	1,021.0	1,246.8	3.0	806.4	984.8	3.5	214.7	262.2	1.0
2001	1,016.8	1,214.1	-2.6	799.6	954.7	-3.0	217.4	259.6	-1.0
2002	1,029.7	1,210.8	-0.3	808.9	951.2	-0.4	221.1	260.0	0.2
2003	1,050.2	1,210.8	[4]	820.2	945.6	-0.6	230.3	265.5	2.1
2004	1,139.5	1,278.6	5.6	892.4	1,001.3	5.9	247.6	277.8	4.6
2005	1,222.9	1,329.4	4.0	953.4	1,036.4	3.5	269.9	293.4	5.6
2006	1,278.4	1,348.3	1.4	1,001.1	1,055.9	1.9	278.0	293.2	-0.1
2007	1,324.4	1,360.6	0.9	1,044.3	1,072.9	1.6	280.6	288.2	-1.7
2008	1,317.4	1,327.5	-2.4	1,053.7	1,061.7	-1.0	264.5	266.5	-7.5
2009	1,178.4	1,178.4	-11.2	934.5	934.5	-12.0	244.8	244.8	-8.1
2010	1,195.5	1,181.1	0.2	929.0	917.8	-1.8	267.7	264.5	8.0
2011	1,265.9	1,225.4	3.7	984.2	952.7	3.8	282.6	273.6	3.4
2012	1,301.6	1,237.1	1.0	997.6	948.1	-0.5	304.9	289.8	5.9
2013	1,341.6	1,254.8	1.4	1,040.4	973.1	2.6	302.3	282.7	-2.4
2014	1,393.9	1,280.8	2.1	1,078.5	991.0	1.8	317.1	291.3	3.0
2015	1,443.6	1,312.4	2.5	1,112.8	1,011.7	2.1	331.8	301.7	3.5

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years. However, these losses (after subtraction) and any carryover are reflected in net income less deficit. Therefore, total business receipts minus total business deductions may not always equal net income less deficit.

[2] Current dollars are the value of a dollar at the time it was measured. Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the *Survey of Current Business*. The deflator represents the annual average of current-weighted prices, based on 2009 = 100.

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentages were calculated before rounding.

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

there was a 2.5-percent increase in constant dollar depreciation. The \$250,000 limit remained for 2009 and depreciation dropped 17.3 percent, which was the largest decrease since at least 1988. For 2010, the section 179 limit was again doubled to \$500,000, and constant dollar depreciation increased but only by 0.4 percent from \$34.5 billion to \$34.7 billion. The limit was increased as part of stimulus packages in response to the Great Recession.⁸ The section 179 limit remained \$500,000 for Tax Years 2011 through 2015. For 2011, constant dollar depreciation dropped

by 0.7 percent and for 2012 it dropped another 5.6 percent down to \$32.5 billion, the lowest level over the 26 years of this study. For 2015, constant dollar depreciation rose by 4 percent to \$34.9 billion, the highest amount since 2008.

Beginning with Tax Year 1992, certain smaller businesses could elect not to itemize depreciation and other business deductions by filing the Schedule C-EZ, *Net Profit from Business*, a simplified version of Schedule C, *Profit or Loss from Business*. (Schedules C and C-EZ are the sources of nonfarm sole

⁸ For 2008, the Economic Stimulus Act of 2008 increased the maximum expensing deduction under section 179 to \$250,000. The American Recovery and Reinvestment Act of 2009 extended that level through 2009. For all individual tax returns that filed Form 4562, *Depreciation and Amortization*, the Section 179 property deducted as an expense increased by 5.1 percent to \$49.8 billion for 2008. For 2009, when the maximum 179 deduction remained at \$250,000, the amount deducted for all returns decreased by 17.2 percent to \$41.3 billion. The amount deducted as section 179 property on returns that had a Schedule C dropped 19.6 percent to \$16.2 billion between 2008 and 2009. For 2010, the amount taxpayers were able to deduct as section 179 property increased to \$500,000. This was in accordance with the Small Business Jobs and Credit Act of 2010. The amount deducted by returns with a Schedule C increased to \$18.8 billion, representing a 15.6-percent increase from 2009. For 2010, the amount deducted on all individual returns increased to \$49.6 billion, a 20.3-percent increase from 2009. By 2015, this had increased to \$71.7 billion. These numbers do not reflect depreciation solely deducted on the Schedule C, as this could also include depreciation taken on the Schedule E, *Supplemental Income and Loss*, the Schedule F, *Profit or Loss from Farming*, and the Form 4835, *Farm Rental Income and Expenses*.

Figure C
Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 2014 and 2015

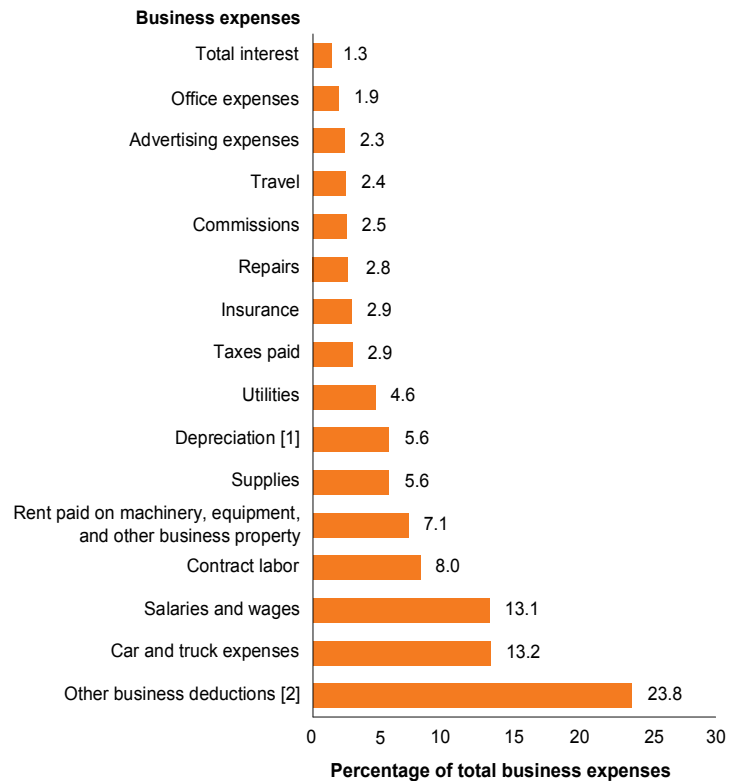
[Money amounts are in millions of dollars]

Business deductions	2014	2015	Percentage change
	(1)	(2)	(3)
Business deductions, total [1]	1,078,490.0	1,112,822.8	3.2
Cost of sales and operations, total	416,840.5	431,691.7	3.6
Inventory, beginning of year	41,257.8	41,587.9	0.8
Cost of labor	33,097.1	36,945.5	11.6
Purchases	256,014.3	264,670.3	3.4
Materials and supplies	56,559.5	61,108.3	8.0
Other costs	73,156.6	70,954.4	-3.0
Inventory, end of year	43,244.8	43,574.8	0.8
Business expenses, total	661,649.5	681,131.1	2.9
Advertising expenses	14,999.7	15,771.7	5.1
Car and truck expenses	92,320.0	89,810.4	-2.7
Commissions	14,236.3	16,754.2	17.7
Contract labor	53,539.8	54,170.6	1.2
Depletion	898.4	475.5	-47.1
Depreciation [2]	36,568.9	38,432.8	5.1
Employee benefit programs	3,007.7	2,928.2	-2.6
Home office business deductions [2]	9,469.9	9,817.4	3.7
Depreciation, Form 8829	1,234.8	1,228.2	-0.5
Insurance	18,707.9	19,513.5	4.3
Legal and professional services	12,058.7	12,847.0	6.5
Meals and entertainment deducted	9,539.2	9,913.8	3.9
Mortgage interest	3,190.3	3,253.6	2.0
Other interest paid on business indebtedness	5,627.4	5,934.7	5.5
Office expenses	12,776.5	12,944.8	1.3
Pension and profit-sharing plans	1,108.5	1,145.9	3.4
Rent paid on machinery and equipment	10,090.8	10,601.3	5.1
Rent paid on other business property	36,746.5	37,570.2	2.2
Repairs	18,494.6	18,746.9	1.4
Salaries and wages	86,743.0	89,416.4	3.1
Supplies	36,662.7	38,460.6	4.9
Taxes paid	19,358.4	19,812.0	2.3
Travel	15,344.2	16,588.8	8.1
Utilities	31,640.5	31,482.2	-0.5
Other business expenses [3]	113,958.2	119,846.0	5.2
Schedule C-EZ business expenses	4,578.1	4,892.4	6.9

[1] Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years.
 [2] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above.
 [3] Other business expenses includes some expenses from electronically filed Schedule C-EZ returns.
 NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.
 SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

proprietorship statistics.) For Tax Year 2015, taxpayers could use Schedule C-EZ if they: had business expenses of \$5,000 or less; used the cash accounting method; had no inventories; did not report a loss from the business; had only one business as a sole proprietor; had no employees; were not required to file Form 4562, *Depreciation and Amortization*, for the business; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. Since taxpayers using Schedule C-EZ did not itemize business

Figure D
Nonfarm Sole Proprietorships: Components of Business Expenses as a Percentage of Total Business Expenses, Tax Year 2015



[1] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above. See footnote [2] below.
 [2] Includes depletion; employee benefit programs; legal and professional services; pension and profit-sharing plans; meals and entertainment; home office; and other business expenses. Other business deductions also includes all Schedule C-EZ, *Net Profit from Business*, deductions (\$4.9 billion).
 NOTES: Total business expenses equals all business deductions minus cost of sales and operations.
 Percents are based on an estimated total business expense of \$681.1 billion. Detail may not add to 100 percent because of rounding.
 SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

deductions, the detailed deductions in Table 2, based only on Schedule C returns, are slightly understated and do not sum to the total deductions in Figure C.

For Tax Year 2015, approximately 5.4 million taxpayers filed the Schedule C-EZ, marking a 7.9-percent increase from the number filed for 2014. In the administrative and support and waste management services sector (the sector with the highest percentage of Schedule C-EZ filers), taxpayers filed 0.8 million Schedule C-EZ returns, or 31.8 percent of the total sole proprietorship returns for that sector (Figure F).⁹ For 2015, business receipts from Schedule C-EZ filers totaled \$43.1 billion, or 3.0 percent of total business receipts reported. Business deductions reported on Schedule C-EZ returns accounted for only 0.4 percent of total business deductions for all industries, or \$4.9 billion of the total \$1,112.8 billion. Despite having the largest concentration of Schedule C-EZ filers, the receipts and deductions

⁹ Based on the NAICS system, the full name of the administrative and support services sector is administrative and support and waste management and remediation services sector. The waste management and remediation services portion make up a small percentage of the overall numbers reported under this classification, which are detailed in Table 1.

Figure E
Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1988–2015

[Money amounts are in billions of dollars]

Tax year	Current dollars [1]			Constant dollars [1]			Percentage change in constant dollars [1]		
	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	145.5	19.2	26.1	234.7	31.0	42.1	[3]	[3]	[3]
1989	152.4	19.7	24.5	236.7	30.6	38.0	0.8	-1.2	-9.6
1990	161.7	20.2	23.7	242.2	30.3	35.5	2.3	-1.1	-6.7
1991	162.4	20.9	23.1	235.4	30.3	33.5	-2.8	0.1	-5.7
1992	173.5	19.5	23.3	245.9	27.6	33.0	4.5	-8.8	-1.4
1993	177.0	20.5	25.0	245.0	28.4	34.6	-0.4	2.7	4.8
1994	187.8	21.0	26.2	254.5	28.5	35.5	3.9	0.3	2.6
1995	191.7	22.5	26.2	254.5	29.8	34.8	0.0	4.8	-1.9
1996	200.1	23.4	27.4	260.9	30.5	35.7	2.5	2.1	2.4
1997	210.5	23.8	28.6	269.8	30.5	36.7	3.4	0.2	2.8
1998	226.2	23.9	29.1	286.8	30.3	36.9	6.3	-0.7	0.7
1999	233.4	25.5	30.6	291.5	31.8	38.3	1.6	4.8	3.6
2000	245.2	30.5	32.2	299.5	37.3	39.3	2.7	17.2	2.7
2001	250.2	32.8	33.4	298.7	39.2	39.9	-0.3	5.1	1.5
2002	257.3	36.2	36.6	302.6	42.5	43.1	1.3	8.7	8.0
2003	269.1	38.8	41.8	310.2	44.7	48.1	2.5	5.1	11.7
2004	290.5	42.9	42.9	325.9	48.2	48.1	5.1	7.7	-0.0
2005	314.8	44.8	39.1	342.2	48.7	42.5	5.0	1.2	-11.7
2006	326.8	48.7	39.0	344.6	51.4	41.1	0.7	5.5	-3.2
2007	335.1	54.5	39.6	344.3	56.0	40.7	-0.1	9.0	-1.0
2008	325.3	60.8	41.4	327.7	61.2	41.8	-4.8	9.3	2.5
2009	308.9	64.1	34.5	308.9	64.1	34.5	-5.8	4.7	-17.3
2010	323.2	55.5	35.1	319.3	54.8	34.7	3.4	-14.4	0.4
2011	337.0	54.3	35.6	326.2	52.6	34.5	2.2	-4.1	-0.7
2012	357.1	52.2	34.2	339.4	49.6	32.5	4.0	-5.7	-5.6
2013	357.4	55.1	35.4	334.3	51.6	33.1	-1.5	4.0	1.7
2014	374.5	57.5	36.6	344.2	52.8	33.6	2.9	2.4	1.5
2015	392.1	60.3	38.4	356.5	54.8	34.9	3.6	3.8	4.0

[1] Current dollars is the value of a dollar at the time it was measured. Constant dollars is based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the *Survey of Current Business*. The deflator represents the annual average of current-weighted prices, based on 2009 = 100.

[2] Excludes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

[3] Not calculated.

NOTE: Percentage changes were calculated before rounding.

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

Figure F
All Nonfarm Sole Proprietorship Returns and Those with Schedule C-EZ, by Selected Industrial Sector, Tax Year 2015

[Number of returns is in thousands—money amounts are in millions of dollars]

Selected industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	Total	With Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All nonfarm industries	25,226.2	5,391.7	21.4	1,443,585.0	43,066.4	3.0	1,112,822.8	4,892.4	0.4
Construction	2,696.8	487.7	18.1	229,686.2	4,859.2	2.1	189,743.7	511.3	0.3
Wholesale trade (merchant wholesalers)	371.1	42.2	11.4	58,023.6	297.0	0.5	52,978.7	21.5	[2]
Retail trade	2,460.6	354.2	14.4	184,752.9	2,190.0	1.2	173,475.6	288.6	0.2
Transportation and warehousing	1,619.6	259.5	16.0	102,761.7	1,570.8	1.5	88,161.0	298.4	0.3
Finance and insurance	636.2	76.8	12.1	90,052.4	810.2	0.9	69,741.2	89.5	0.1
Real estate and rental and leasing	1,214.7	124.3	10.2	77,364.5	1,611.0	2.1	49,321.5	197.7	0.4
Professional, scientific, and technical services	3,486.6	627.2	18.0	196,280.7	6,866.0	3.5	113,100.9	622.3	0.6
Administrative and support and waste management services	2,472.0	786.8	31.8	71,549.7	5,774.4	8.1	50,703.6	657.4	1.3
Health care and social assistance	2,181.4	585.5	26.8	121,896.9	5,910.7	4.8	72,052.2	505.0	0.7
Arts, entertainment, and recreation	1,499.7	351.3	23.4	39,117.9	1,624.2	4.2	29,726.7	281.1	0.9
Other services	3,512.2	851.1	24.2	112,054.6	7,125.7	6.4	82,716.8	885.8	1.1
All other sectors	3,075.4	845.3	27.5	160,044.0	4,427.3	2.8	141,100.9	533.7	0.4

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years.

[2] Less than 0.05 percent.

NOTES: Certain smaller sole proprietorships could elect not to itemize business expenses by filing Schedule C-EZ, *Net Profit from Business*. See the text of this article for a full list of the requirements to be eligible to file Schedule C-EZ. Detail may not add to totals because of rounding. Percentages were calculated before rounding.

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

from Schedule C-EZ filers in the administrative and support and waste management services sector accounted for only 8.1 percent of that sector's total business receipts and 1.3 percent of that sector's total business deductions.

Profits and Losses

For 2015, of the 12 industrial sectors analyzed, 9 of them reported increased sole proprietorship profits (net income less deficit). Figure B presents total profits for all industries (in both current and constant dollars) since 1988, while Figures G and H present profits by industrial sector for 2014 and 2015.¹⁰ Total profits increased 4.7 percent from \$317.1 billion for 2014 to \$331.8 billion for 2015. The professional, scientific, and technical services sector reported the largest percentage of total profits of all nonfarm sole proprietorships, with 25.1 percent (\$83.3 billion), and had a 6.5-percent increase in profits for 2015. The second largest sector by profits, health care and social assistance, also reported an increase in profits, rising 0.8 percent to \$49.9 billion. The largest percentage increase in profits was realized in the real estate sector, which jumped 15.1 percent for a gain of \$3.7 billion.

In constant dollars, total profits rose by 3.5 percent for 2015 (Figure B). Figure I shows net income less deficits as a percentage of business receipts for 1988 through 2015. In general, this percentage has increased over time from a low of 18.8 percent for 1988, the exceptions being the periods leading up to the recession in the early 2000's and the Great Recession starting in 2008. Since 2010, net income less deficit as a percentage of total business receipts has been between 22.4 percent (2010) and 23.4 percent (2012); for 2015, it was 23.0 percent. Figure E presents net income and deficit separately for 1988 through 2015, in current and constant dollars. For 2015, net income (in constant dollars) increased by 3.6 percent and deficit (in constant dollars) increased by 3.8 percent.

Limited Liability Companies

Tax Year 2001 was the first year for which data became available on the number of limited liability companies (LLCs) among nonfarm sole proprietorship returns. LLC entities have limited liability (like corporations), but they may be taxed as sole proprietorships (for which income and expenses flow through to the owner to be taxed), if they are owned by a single individual. For 2001, there were 126,437 sole proprietorship returns that indicated status as an LLC or just 0.7 percent of total sole proprietorship returns (Figure J). In contrast, for Tax Year 2015, there were 1,715,430 such sole proprietorships, which accounted for 6.8 percent of the total nonfarm sole proprietorship returns, a 13-fold increase since 2001. The share of total nonfarm sole proprietorship business receipts attributed to LLCs has also risen during this period from approximately 2.3 percent for 2001, to 24.5 percent for 2015 (Figure K). Similarly, the portion of total net income (less deficit) of all nonfarm sole proprietorships

Figure G

Nonfarm Sole Proprietorship Profits, by Selected Industrial Sector, Tax Years 2014 and 2015

[Money amounts are in billions of dollars]

Selected industrial sector	Net income less deficit (profits)		
	2014	2015	Percentage change
	(1)	(2)	(3)
All nonfarm industries	317.1	331.8	4.7
Construction	35.6	40.0	12.5
Wholesale trade (merchant wholesalers)	4.9	5.1	4.3
Retail trade	10.7	11.4	5.8
Transportation and warehousing	14.9	14.6	-1.8
Finance and insurance	20.4	20.4	[1]
Real estate and rental and leasing	24.5	28.2	15.1
Professional, scientific, and technical services	78.2	83.3	6.5
Administrative and support and waste management services	22.4	20.9	-6.7
Health care and social assistance	49.5	49.9	0.8
Arts, entertainment, and recreation	10.0	9.5	-5.2
Other services	27.5	29.4	7.2
All other industries	18.5	19.2	3.7

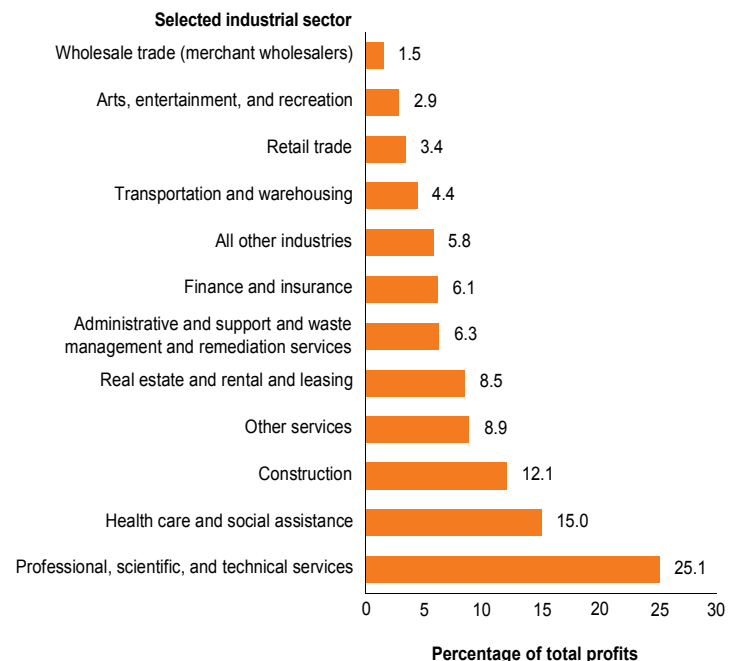
[1] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Percentage changes were calculated before rounding.

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

Figure H

Nonfarm Sole Proprietorships: Selected Industrial Sector Profits as a Percentage of Total Profits, Tax Year 2015



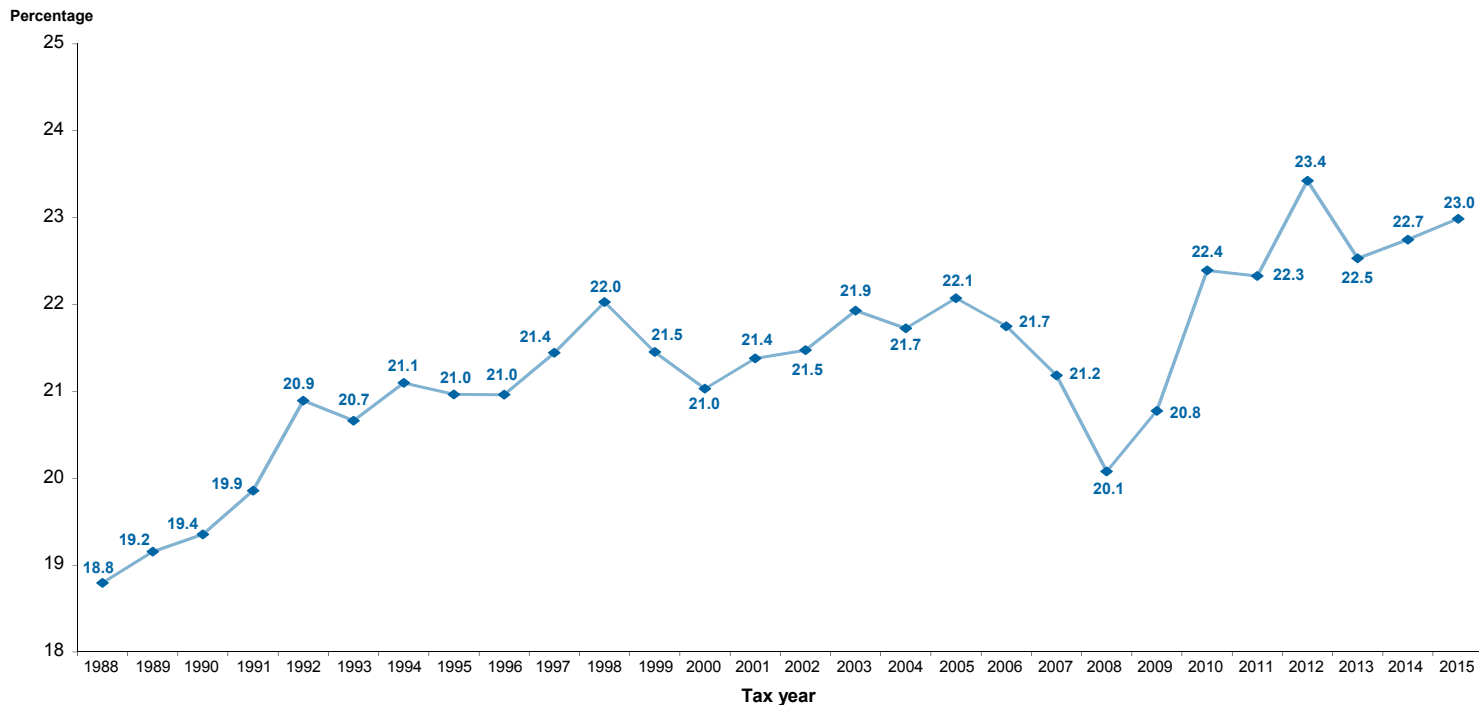
NOTES: Percentages are based on estimated total profits of \$331.8 billion. Detail may not add to 100 percent because of rounding.

Profits is a designation for "net income less deficit," shown elsewhere in this article.

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

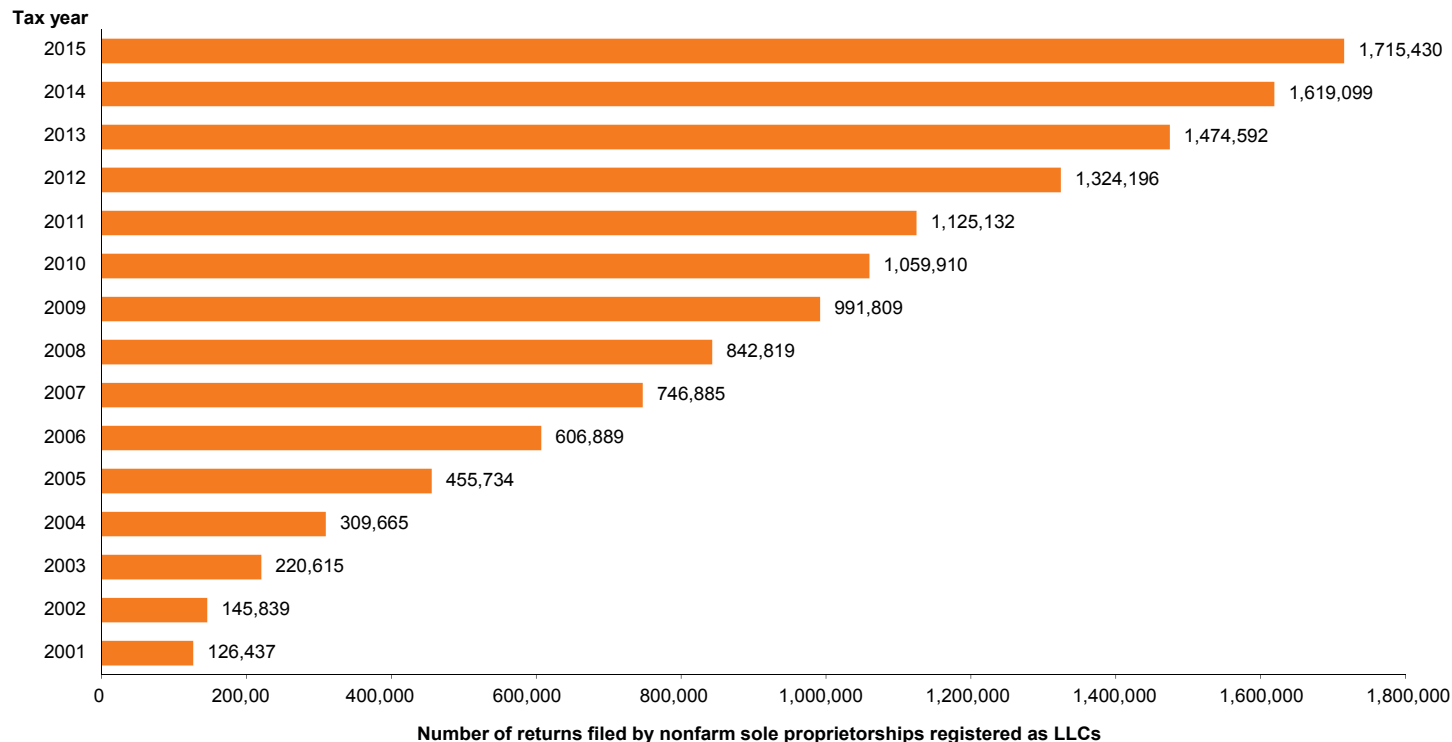
¹⁰ Net income minus deficit (loss) before Federal income tax yields profits. Proprietors compute their tax on total "taxable income," which includes their business profits, plus any other income.

Figure I
Nonfarm Sole Proprietorships: Net Income Less Deficit (Profits) as a Percentage of Total Business Receipts, Tax Years 1988–2015



SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

Figure J
Nonfarm Sole Proprietorships: Number of Returns Filed by Those Registered as Limited Liability Companies (LLCs), Tax Years 2001–2015



SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

attributable to LLCs increased from 1.0 percent for 2001 to 13.7 percent for 2015.

Summary

Profits for the 25.2 million returns with sole proprietorship activity for Tax Year 2015 increased by 4.7 percent from 2014, to a level of \$331.8 billion. In constant dollars, total nonfarm sole proprietorship profits for 2015 increased 3.5 percent. The professional, scientific, and technical services sector had the largest profits of any sector, at \$83.3 billion, representing 25.1 percent of total sole proprietorship profits, followed by the health care and social assistance sector, at \$49.9 billion or 15.0 percent of total profits. The largest percentage increases in profits were by real estate (15.1 percent) and construction (12.5 percent). The professional, scientific, and technical services sector experienced the largest increase in dollar value for profits, gaining \$5.1 billion. For all sole proprietorships, business receipts increased 3.6 percent, and the largest industrial sector, based on business receipts, was the construction sector, accounting for 15.9 percent of total business receipts (Figure L). Real estate had the largest percentage increase in receipts at 13.6 percent. In terms of dollar amount, the retail trade sector and administrative support and waste management services sector both experienced the largest downturn in receipts from 2014 to 2015. Both sectors dropped \$3.2 billion in total business receipts. For all sole proprietorships, deductions increased 3.2 percent with

the finance and insurance sector having the largest percentage increase in deductions at 14.9 percent.

Data Sources and Limitations

The 2015 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Form 1040 (including electronically filed returns), processed by the Internal Revenue Service during Calendar Year 2016. Returns in the sample were stratified based on: (1) the presence or absence of Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, or Schedule C-EZ, *Net Profit From Business*, and Schedule F, *Farm Income and Expenses*; (2) the larger of positive income or negative income (i.e., “adjusted gross income” before statutory adjustments); and (3) tax year. The returns were selected at rates that ranged from 0.1 percent to 100 percent. The 2015 nonfarm sole proprietorship data are based on a sample of 90,765 returns and a population of 25,571,122 returns.¹¹ The corresponding data for 2014 were based on a sample of 91,665 returns and a population of 25,010,078 returns.

Since the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data estimates provided, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. Figure M presents estimated coefficients of variation for total business receipts, total business deductions, depreciation, net income, and

Figure K

All Nonfarm Sole Proprietorships and Those Registered as Limited Liability Companies (LLCs): Number of Returns, Business Receipts, and Profits, Tax Years 2001–2015

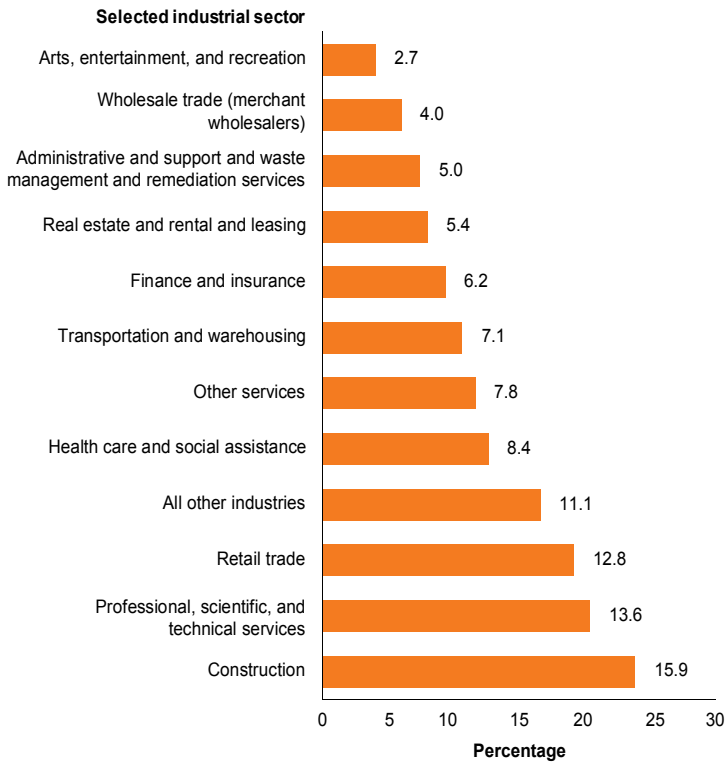
[Money amounts are in millions of dollars]

Tax year	Number of returns			Total business receipts			Net income less deficit		
	All nonfarm sole proprietorships	Nonfarm sole proprietorships registered as LLCs	LLCs as a percentage of all nonfarm sole proprietorships	All nonfarm sole proprietorships	Nonfarm sole proprietorships registered as LLCs	LLCs as a percentage of all nonfarm sole proprietorships	All nonfarm sole proprietorships	Nonfarm sole proprietorships registered as LLCs	LLCs as a percentage of all nonfarm sole proprietorships
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2001	18,338,190	126,437	0.7	1,016,834,678	23,357,818	2.3	217,385,116	2,259,135	1.0
2002	18,925,517	145,839	0.8	1,029,691,760	39,239,656	3.8	221,113,286	3,378,774	1.5
2003	19,710,079	220,615	1.1	1,050,202,446	55,626,849	5.3	230,308,100	3,847,617	1.7
2004	20,590,691	309,665	1.5	1,139,523,760	82,850,651	7.3	247,567,189	6,743,666	2.7
2005	21,467,566	455,734	2.1	1,222,880,231	119,603,018	9.8	269,919,995	10,902,821	4.0
2006	22,074,953	606,889	2.7	1,278,359,791	151,746,232	11.9	278,032,643	14,270,523	5.1
2007	23,122,698	746,885	3.2	1,324,403,080	185,837,712	14.0	280,557,010	16,235,182	5.8
2008	22,614,483	842,819	3.7	1,317,443,005	205,646,039	15.6	264,508,362	18,215,151	6.9
2009	22,659,976	991,809	4.4	1,178,437,093	205,194,197	17.4	244,821,815	18,522,837	7.6
2010	23,003,656	1,059,910	4.6	1,195,538,629	220,116,934	18.4	267,699,702	23,915,511	8.9
2011	23,426,940	1,125,132	4.8	1,265,939,196	244,024,850	19.3	282,649,926	27,093,827	9.6
2012	23,553,850	1,324,196	5.6	1,301,569,749	291,350,534	22.4	304,895,911	35,841,019	11.8
2013	24,074,684	1,474,592	6.1	1,341,571,082	316,224,871	23.6	302,269,621	37,151,475	12.3
2014	24,631,831	1,619,099	6.6	1,393,884,201	342,093,644	24.5	317,058,087	43,427,440	13.7
2015	25,226,245	1,715,430	6.8	1,443,584,972	370,123,809	25.6	331,832,538	48,902,901	14.7

SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

¹¹ The difference between the number of returns in the population and the total number of returns in Tables 1 and 2 is mainly due to returns in which Schedule C income was moved to other income or wages to avoid double counting of taxpayers for Gross Domestic Product calculations. In addition, data from amended and tentative returns are not reflected in these statistics.

Figure L
Nonfarm Sole Proprietorships: Selected Industrial Sector Receipts as a Percentage of Total Business Receipts, Tax Year 2015



NOTES: Percentages are based on estimated total business receipts of \$1.4 trillion. Detail may not add to 100 percent because of rounding.
 SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

deficit by selected industrial sector. Generally, the smaller the coefficient of variation, the more reliable the estimate is judged to be. The SOI Sampling Methodology and Data Limitations section of the *Bulletin*, available at <http://www.irs.gov/pub/irs-soi/sampling.pdf>, discusses the reliability of estimates based on samples and the use of coefficients of variation for evaluating the precision of estimates based on samples.

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Figure M
Nonfarm Sole Proprietorships: Coefficients of Variation for Selected Items, by Selected Industrial Sector, Tax Year 2015
 [Coefficients of variation are in percentages]

Industrial sector	Coefficients of variation				
	Total business receipts	Total business deductions	Depreciation [1]	Net income	Deficit
	(1)	(2)	(3)	(4)	(5)
All industries	0.56	0.63	1.51	0.73	1.46
Construction	2.04	2.15	4.06	2.42	5.76
Wholesale trade	4.18	4.25	9.25	6.77	9.91
Retail trade	2.24	2.25	5.35	3.48	4.00
Transportation and warehousing	2.66	2.66	4.53	3.52	6.06
Finance and insurance	1.98	1.86	8.51	3.63	6.68
Real estate and rental leasing	2.64	2.84	5.70	3.22	5.25
Professional, scientific, and technical services	1.68	2.04	4.39	1.90	4.53
Administrative and support and waste management services	2.98	3.51	7.20	2.92	6.54
Health care and social assistance	1.90	2.12	4.73	2.27	6.96
Arts, entertainment, and recreation	3.48	3.64	8.10	4.23	5.64
Other services	2.47	2.79	5.91	2.50	5.20
All other industries	2.13	2.16	3.52	2.89	3.51

[1] Excludes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.
 SOURCE: IRS, Statistics of Income Division, Sole Proprietorship Returns, July 2017.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All nonfarm industries	25,226,245	1,443,584,972	39,661,004	10,601,311	37,570,230	9,188,381	126,361,910	331,832,538
Agriculture, forestry, hunting, and fishing	269,704	21,580,554	1,989,805	168,386	198,663	219,987	1,888,165	1,364,994
Animal production (including breeding of cats and dogs)	44,625	1,675,720	233,484	7,428	27,889	32,090	126,634	-386,676
Forestry and logging (including forest nurseries, timber tracts)	52,006	5,420,278	711,327	61,763	7,032	64,651	355,497	402,644
Fishing, hunting, and trapping	66,144	3,351,232	387,518	37,769	81,118	45,965	109,146	428,393
Support activities for agriculture and forestry	106,930	11,133,324	657,476	61,426	82,624	77,281	1,296,887	920,632
Mining	134,638	9,306,426	796,598	88,893	79,618	206,759	862,637	553,002
Oil and gas extraction	109,099	6,046,578	530,261	34,922	58,085	169,212	270,172	30,474
Other mining	6,239	647,678	63,397	13,592	6,413	14,661	143,213	15,695
Support activities for mining	19,300	2,612,171	202,940	40,378	15,120	22,886	449,252	506,832
Utilities	20,235	924,882	82,512	22,102	13,781	10,180	23,216	41,715
Construction	2,696,797	229,686,192	6,118,898	1,165,228	1,698,123	1,049,440	27,002,287	40,030,430
Construction of buildings	622,635	66,392,857	1,139,438	268,798	332,812	306,847	7,228,308	9,410,793
Heavy and civil engineering construction	38,439	7,567,237	583,983	74,884	47,754	107,165	907,989	611,747
Specialty trade contractors	2,035,724	155,726,097	4,395,477	821,547	1,317,557	635,428	18,865,989	30,007,890
Manufacturing	380,959	33,903,588	1,175,925	143,382	903,364	331,019	4,103,545	3,762,370
Food manufacturing	54,971	5,377,616	198,653	14,088	218,531	114,380	641,243	162,602
Textile and textile product mills	13,115	532,763	18,121	**	* 23,702	* 2,663	* 72,418	54,582
Apparel	22,701	972,743	35,462	** 10,922	44,149	8,950	72,511	107,717
Leather and allied products	6,038	176,370	3,908	0	* 2,678	* 73	* 29,180	37,990
Wood products	** 31,955	** 3,794,505	** 122,269	** 5,982	** 80,229	** 32,281	** 374,717	** 416,498
Paper products	**	**	**	**	**	**	**	**
Printing and related support activities	31,950	2,085,533	92,137	13,517	74,582	16,761	188,005	186,646
Petroleum and coal products	1,030	528,116	* 3,263	* 3,098	* 5,990	* 148	* 82,674	18,578
Chemical manufacturing	15,976	1,386,552	46,266	3,397	16,074	7,893	158,679	214,481
Plastic and rubber products	3,188	759,727	17,134	2,762	5,408	6,403	37,942	133,968
Nonmetallic mineral products	9,178	1,023,181	51,367	7,541	9,334	12,532	85,045	121,936
Primary metal industries	2,781	770,125	* 16,984	**	* 22,038	* 2,644	* 71,395	63,839
Fabricated metal products	36,733	4,376,694	164,106	** 35,402	79,448	40,077	638,590	557,860
Machinery	24,012	1,829,677	80,801	4,767	48,881	9,932	257,125	252,530
Computer and electronic products	16,891	667,712	63,772	* 11,656	* 12,330	* 7,254	45,174	59,065
Electrical equipment, appliances, and components	8,239	761,912	15,037	* 3,110	40,788	5,987	172,521	75,320
Transportation equipment	11,931	1,067,202	16,002	* 5,052	30,264	5,479	173,181	34,272
Furniture and related products	23,881	2,318,745	59,815	* 3,512	45,448	19,951	347,495	499,728
Miscellaneous manufacturing	66,390	5,474,416	170,827	18,576	143,490	38,544	655,651	764,759
Wholesale trade (merchant wholesalers)	371,148	58,023,627	708,226	284,200	844,734	263,778	2,572,739	5,071,951
Durable goods, including machinery, wood, metals, etc.	189,507	29,317,164	397,654	195,982	430,414	130,478	1,504,317	2,943,721
Nondurable goods, including food, fiber, chemicals, etc.	142,190	25,045,757	282,572	79,472	360,246	126,160	909,384	1,673,860
Wholesale electronic markets and agents and brokers	39,451	3,660,706	28,000	8,746	54,074	7,141	159,038	454,370
Retail trade	2,460,635	184,752,906	2,616,699	541,738	5,786,798	1,142,985	9,628,578	11,360,234
Motor vehicle and parts dealers	132,250	37,635,397	361,906	60,000	525,524	242,757	1,426,821	1,251,582
Furniture and home furnishing stores	25,876	2,954,134	43,598	17,957	140,743	35,019	289,157	299,957
Electronic stores and household appliance stores	13,704	2,233,038	37,804	19,148	59,053	9,356	171,169	151,288
Building material and garden equipment and supplies dealers	26,585	6,784,281	153,969	14,327	83,657	48,632	627,085	414,917
Food and beverage stores	92,538	26,935,363	283,809	102,480	996,687	104,840	1,848,560	747,211
Health and personal care stores	136,758	8,923,329	80,966	27,631	287,825	27,503	657,291	803,211
Gasoline stations	16,546	17,521,652	192,826	18,146	261,847	97,711	819,203	334,160
Clothing and accessories stores	164,182	9,149,962	152,478	21,645	760,734	53,841	642,099	602,268
Sporting goods, hobby, book, and music stores	104,898	6,342,421	123,128	12,344	299,642	64,218	401,993	316,647
General merchandise stores	28,966	3,799,649	74,878	7,340	157,628	15,910	149,878	223,775
Miscellaneous store retailers	618,370	29,286,938	539,907	130,769	1,684,701	250,056	1,858,235	2,399,449
Nonstore retailers	1,099,962	33,186,741	571,432	109,952	528,757	193,144	737,088	3,815,769

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All nonfarm industries	18,784,750	1,236,419,550	25,368,501	8,305,956	28,955,085	5,773,984	102,383,686	392,114,132
Agriculture, forestry, hunting, and fishing	162,932	17,358,619	1,176,052	119,442	132,304	123,367	1,429,957	2,861,307
Animal production (including breeding of cats and dogs)	15,058	1,172,805	97,775	* 4,856	13,924	7,204	107,819	160,882
Forestry and logging (including forest nurseries, timber tracts)	34,903	4,397,941	486,540	34,768	5,751	47,389	208,357	603,345
Fishing, hunting, and trapping	38,197	2,693,902	213,730	30,533	68,110	25,137	37,995	718,558
Support activities for agriculture and forestry	74,775	9,093,972	378,007	49,284	44,519	43,637	1,075,786	1,378,523
Mining	86,250	6,160,323	391,506	63,943	28,087	57,736	408,686	2,029,813
Oil and gas extraction	68,706	3,716,558	223,121	20,385	19,697	37,266	104,676	1,324,481
Other mining	3,787	420,310	39,277	11,482	* 1,033	5,779	76,372	92,407
Support activities for mining	13,756	2,023,455	129,108	32,075	7,358	14,691	227,639	612,925
Utilities	13,251	414,382	15,752	* 20,195	1,132	1,911	* 11,192	138,217
Construction	2,255,773	207,050,445	4,811,334	920,192	1,385,688	671,068	23,442,059	44,671,269
Construction of buildings	525,132	58,371,503	944,472	215,069	233,228	200,170	5,876,598	10,700,534
Heavy and civil engineering construction	24,543	5,781,889	405,562	40,178	38,057	60,941	556,512	1,017,041
Specialty trade contractors	1,706,098	142,897,054	3,461,301	664,944	1,114,402	409,957	17,008,949	32,953,693
Manufacturing	255,192	27,990,543	753,245	99,342	660,329	167,097	3,020,319	5,474,341
Food manufacturing	33,139	4,280,267	115,611	8,966	162,856	25,307	401,191	545,686
Textile and textile product mills	4,566	401,085	* 4,084	**	* 6,382	* 574	* 54,672	98,214
Apparel	14,231	878,198	33,407	** 7,085	** 41,279	7,678	** 62,412	220,220
Leather and allied products	4,375	107,230	* 991	0	**	0	**	60,478
Wood products	** 23,302	** 3,381,784	** 71,996	** 4,566	** 63,026	** 22,749	** 286,778	** 464,660
Paper products	**	**	**	**	**	**	**	**
Printing and related support activities	20,932	1,759,811	71,433	11,801	68,298	7,589	133,101	324,041
Petroleum and coal products	708	404,117	* 2,708	* 2,888	* 5,444	* 148	* 81,274	37,635
Chemical manufacturing	11,218	1,076,933	34,954	** 1,722	11,968	5,065	108,435	299,724
Plastic and rubber products	3,112	635,801	2,047	**	* 2,009	* 4,883	* 15,811	148,012
Nonmetallic mineral products	5,319	836,153	40,338	* 5,659	* 3,733	11,404	81,559	134,240
Primary metal industries	* 759	* 681,813	* 11,581	**	* 21,949	**	* 60,288	* 86,012
Fabricated metal products	28,720	3,805,463	139,006	** 32,968	58,147	** 33,578	546,953	649,092
Machinery	14,657	1,617,208	40,411	* 2,097	45,207	2,286	202,466	360,608
Computer and electronic products	11,478	637,905	* 53,287	** 8,448	* 8,804	* 1,155	* 41,832	127,658
Electrical equipment, appliances, and components	6,135	613,191	9,848	**	* 30,736	* 5,034	* 135,754	141,292
Transportation equipment	7,319	902,446	* 4,642	**	* 13,893	* 2,709	* 140,004	149,128
Furniture and related products	18,066	1,696,939	30,307	* 3,354	* 18,468	13,527	218,741	584,738
Miscellaneous manufacturing	47,157	4,274,201	86,594	9,789	98,130	23,410	449,049	1,042,904
Wholesale trade (merchant wholesalers)	228,243	48,155,851	392,613	224,649	585,088	150,606	1,853,048	6,748,135
Durable goods, including machinery, wood, metals, etc.	124,224	24,824,776	180,579	169,687	329,704	68,975	1,037,727	3,783,680
Non durable goods, including food, fiber, chemicals, etc.	82,997	20,635,025	189,367	46,495	230,487	76,803	716,194	2,236,505
Wholesale electronic markets and agents and brokers	21,022	2,696,050	22,667	8,467	24,897	4,829	99,126	727,951
Retail trade	1,357,591	150,886,928	1,351,025	395,660	3,826,149	703,257	7,070,337	19,771,114
Motor vehicle and parts dealers	87,472	31,563,002	201,416	46,605	391,418	162,937	1,159,779	2,033,275
Furniture and home furnishing stores	13,567	2,369,314	34,528	16,059	87,362	29,295	211,384	400,132
Electronic stores and household appliance stores	8,034	1,788,205	31,728	* 14,977	32,764	* 6,780	90,534	225,370
Building material and garden equipment and supplies dealers	15,607	5,843,654	130,068	9,561	70,091	39,276	536,622	575,134
Food and beverage stores	59,840	21,620,317	171,628	82,480	701,468	62,984	1,346,703	1,333,974
Health and personal care stores	72,016	7,786,885	52,765	20,589	228,299	12,245	473,539	1,172,851
Gasoline stations	9,062	13,967,629	125,963	16,606	210,253	73,602	653,682	477,350
Clothing and accessories stores	93,339	7,161,030	76,768	11,319	514,757	27,746	437,851	1,341,491
Sporting goods, hobby, book, and music stores	56,578	5,017,395	56,856	9,157	162,233	47,754	248,000	617,813
General merchandise stores	18,132	3,143,634	32,547	* 6,298	114,018	6,015	119,042	332,319
Miscellaneous store retailers	354,957	22,871,430	216,077	85,735	950,845	128,215	1,338,062	4,440,818
Nonstore retailers	568,987	27,754,433	220,681	76,274	362,642	106,408	455,138	6,820,587

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Transportation and warehousing	1,619,557	102,761,658	6,336,024	3,575,912	975,022	776,840	4,939,364	14,644,792
Air and rail transportation	16,929	1,483,508	357,954	27,551	33,410	42,868	120,331	-119,745
Water transportation	6,033	821,651	141,647	10,456	5,792	20,925	138,068	-13,007
Truck transportation	643,728	71,977,704	4,506,460	1,746,982	467,206	523,628	3,150,163	10,317,281
Other transit and ground transportation	** 655,423	** 15,828,842	** 733,354	** 1,701,521	** 248,180	** 108,947	** 439,904	** 3,088,182
Pipeline transportation	**	**	**	**	**	**	**	**
Scenic and sightseeing transportation	9,556	205,165	59,933	* 6,255	12,429	4,314	15,520	-43,914
Support activities for transportation (including motor vehicle towing)	90,138	6,444,137	440,721	30,060	114,516	57,669	773,817	506,217
Couriers and messengers	189,460	5,128,999	69,503	44,654	33,543	10,723	112,520	842,761
Warehousing and storage facilities	8,290	871,652	26,453	8,433	59,946	7,767	189,043	67,017
Information	337,957	13,324,032	399,508	125,903	298,375	60,644	1,163,831	3,404,466
Publishing industries (except internet)	77,200	2,387,458	19,392	5,313	15,022	5,619	341,742	696,077
Motion picture and sound recording	112,826	4,513,228	203,986	66,824	137,455	30,950	390,795	1,146,531
Broadcasting (except internet) and telecommunications and internet service providers	47,574	2,972,726	97,144	45,160	76,594	18,349	236,775	535,549
Data processing, internet publishing and broadcasting, and web search portals	100,357	3,450,620	78,985	8,606	69,305	5,727	194,519	1,026,308
Finance and insurance	636,234	90,052,429	785,584	223,648	1,600,301	478,944	4,987,805	20,374,787
Credit intermediation and related activities	39,213	2,496,173	47,110	15,898	75,400	65,892	220,120	519,728
Securities, commodity contracts, and other financial investments	174,952	55,641,731	309,870	70,770	563,044	202,686	1,911,167	7,677,886
Investment bankers and securities dealers	12,810	4,682,136	17,612	2,147	31,785	11,739	64,267	377,763
Securities brokers	10,176	4,347,726	11,829	6,663	20,622	13,932	124,041	716,284
Commodity contracts brokers and dealers	3,031	1,256,297	2,278	** 262	12,908	1,365	12,998	285,357
Securities and commodity exchanges	1,317	* 241,726	* 1,947	**	* 1,350	* 1,245	* 13,855	-7,806
Other financial investment activities (investment advice)	147,617	45,113,846	276,205	61,697	496,380	174,405	1,696,006	6,306,287
Insurance agents, brokers, and related activities	422,069	31,914,526	428,604	136,980	961,857	210,366	2,856,518	12,177,173
Insurance agencies and brokerages	311,554	25,787,872	323,805	121,767	787,501	194,657	2,631,584	9,708,920
Other insurance related activities and other financial vehicles	110,515	6,126,654	104,799	15,213	174,356	15,709	224,934	2,468,253
Real estate and rental and leasing	1,214,655	77,364,512	2,979,279	438,972	1,136,900	899,442	2,900,683	28,155,705
Real estate	1,167,939	73,280,887	1,675,520	372,756	1,052,160	775,732	2,496,785	28,279,959
Lessors of real estate (including miniwarehouses and self storage)	52,178	2,167,383	241,224	21,711	88,836	149,221	130,656	397,935
Offices of real estate agents, brokers, property managers, and appraisers	858,484	51,266,124	874,184	248,369	690,336	299,561	1,496,484	22,736,781
Other activities related to real estate	257,276	19,847,380	560,112	102,676	272,988	326,950	869,646	5,145,243
Rental and leasing services	45,550	4,081,997	1,303,759	66,216	84,741	123,710	403,897	-125,338
Automotive equipment rental and leasing	15,330	845,424	258,879	13,255	5,992	23,609	93,317	-18,662
Consumer electronics and appliances rental	** 2,671	** 61,185	** 18,188	** 2,080	** 1,803	** 2,506	* 11,171	** -20,817
Formal wear and costume rental	**	**	**	**	**	**	0	**
Video tape and disc rental	* 468	* 129,065	* 5,231	0	* 23,294	**	* 33,478	* 5,209
General rental centers and other consumer goods rental	11,906	840,516	123,551	20,327	16,931	16,687	71,339	15,905
Commercial and industrial machinery and equipment rental and leasing	15,176	2,205,807	897,910	30,555	36,722	80,908	194,592	-106,973
Lessors of nonfinancial intangible assets (except copyrighted works)	* 1,166	* 1,628	0	0	0	0	0	* 1,084
Professional, scientific, and technical services	3,486,604	196,280,689	3,652,709	869,435	4,453,976	905,327	17,240,946	83,310,522
Legal services	345,480	41,751,406	364,822	158,717	1,796,184	270,231	4,830,430	17,880,784
Offices of certified public accountants	46,475	4,668,714	81,513	20,099	172,179	39,881	710,565	2,014,303
Other accounting services	356,199	9,918,085	226,708	120,567	261,111	66,556	1,295,254	4,012,368
Architectural, engineering, and related services	249,754	14,981,519	451,258	116,039	248,167	71,184	1,692,306	5,057,324
Architectural services	102,545	7,014,316	242,745	71,117	134,588	34,153	1,029,398	1,977,655
Engineering services	85,798	5,208,684	132,270	36,667	88,239	25,208	446,707	1,962,846

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Transportation and warehousing	1,291,740	88,501,948	4,011,789	3,189,959	665,947	537,672	3,678,570	18,571,192
Air and rail transportation	12,784	888,584	33,110	7,203	9,845	7,655	57,389	262,094
Water transportation	3,974	680,676	82,912	* 8,765	* 5,076	13,477	111,262	54,134
Truck transportation	526,589	62,136,990	3,064,422	1,471,067	352,040	384,495	2,333,838	11,903,911
Other transit and ground transportation	** 527,448	** 14,406,181	** 508,780	** 1,639,928	** 159,050	** 82,955	** 350,506	** 4,098,204
Pipeline transportation	**	**	**	**	**	**	**	**
Scenic and sightseeing transportation	5,120	128,035	* 4,607	**	* 4,782	**	* 8,139	30,753
Support activities for transportation (including motor vehicle towing)	63,771	5,234,367	253,010	17,443	74,597	32,456	622,507	926,344
Couriers and messengers	145,268	4,310,874	44,095	39,749	24,118	9,745	88,609	1,171,839
Warehousing and storage facilities	6,785	716,242	20,852	5,805	36,439	6,887	106,320	123,913
Information	221,965	10,756,551	242,764	99,721	175,543	28,507	678,956	4,306,285
Publishing industries (except internet)	47,659	1,711,538	11,743	3,331	6,644	* 188	68,365	876,673
Motion picture and sound recording	75,555	3,647,403	132,570	49,298	78,218	17,544	317,067	1,503,387
Broadcasting (except internet) and telecommunications and internet service providers	27,478	2,317,146	36,677	43,945	37,665	5,835	134,482	734,614
Data processing, internet publishing and broadcasting, and web search portals	71,273	3,080,465	61,774	3,147	53,017	4,941	159,041	1,191,610
Finance and insurance	435,076	55,338,532	543,146	174,131	1,284,488	303,418	4,321,855	22,984,870
Credit intermediation and related activities	25,584	2,120,755	30,987	14,301	42,000	38,621	197,673	757,647
Securities, commodity contracts, and other financial investments	113,498	24,687,173	184,425	42,392	407,033	86,291	1,473,120	9,077,325
Investment bankers and securities dealers	11,527	1,771,262	15,889	2,077	30,977	9,832	58,373	470,006
Securities brokers	8,781	2,845,859	9,555	** 6,854	13,509	5,049	92,884	747,409
Commodity contracts brokers and dealers	2,353	844,750	1,991	**	** 12,647	** 581	** 20,725	307,714
Securities and commodity exchanges	* 147	* 61,624	* 806	**	**	**	**	* 19,517
Other financial investment activities (investment advice)	90,689	19,163,678	156,184	33,461	349,900	70,828	1,301,138	7,532,679
Insurance agents, brokers, and related activities	295,994	28,530,604	327,734	117,438	835,455	178,507	2,651,062	13,149,898
Insurance agencies and brokerages	218,936	23,102,751	253,510	108,318	717,048	171,668	2,493,022	10,327,983
Other insurance related activities and other financial vehicles	77,058	5,427,853	74,224	9,120	118,407	6,838	158,040	2,821,915
Real estate and rental and leasing	833,811	68,020,579	1,485,297	297,175	806,737	457,752	2,046,003	32,575,890
Real estate	808,086	65,347,348	1,024,811	267,719	764,919	404,568	1,802,981	31,976,539
Lessors of real estate (including miniwarehouses and self storage)	26,721	1,566,631	116,003	7,990	50,350	79,089	72,718	698,597
Offices of real estate agents, brokers, property managers, and appraisers	611,623	46,997,714	616,645	196,560	535,532	184,806	1,157,362	24,659,560
Other activities related to real estate	169,742	16,783,003	292,164	63,169	179,036	140,673	572,902	6,618,383
Rental and leasing services	24,561	2,671,603	460,485	29,456	41,818	53,184	243,022	598,266
Automotive equipment rental and leasing	10,167	466,041	125,942	** 4,902	2,272	11,085	** 28,098	114,969
Consumer electronics and appliances rental	* 1,017	* 35,297	* 9,400	**	0	* 100	**	* 4,459
Formal wear and costume rental	0	0	0	0	0	0	0	0
Video tape and disc rental	* 437	* 95,246	**	0	**	0	**	* 9,411
General rental centers and other consumer goods rental	5,389	646,056	** 66,125	* 4,352	** 29,587	7,661	** 85,281	169,788
Commercial and industrial machinery and equipment rental and leasing	7,551	1,428,963	259,019	20,202	9,959	34,338	129,644	299,639
Lessors of nonfinancial intangible assets (except copyrighted works)	* 1,163	* 1,628	0	0	0	0	0	* 1,086
Professional, scientific, and technical services	2,591,709	180,800,625	2,534,555	700,528	3,708,496	662,304	15,021,758	90,521,156
Legal services	285,859	40,061,723	316,860	145,560	1,667,542	234,904	4,429,387	18,468,701
Offices of certified public accountants	36,532	4,373,623	47,388	18,179	147,852	29,907	665,623	2,109,037
Other accounting services	283,516	9,128,897	185,162	107,762	199,242	52,407	1,141,892	4,372,144
Architectural, engineering, and related services	186,468	13,787,291	338,777	85,416	184,307	52,553	1,576,989	5,824,518
Architectural services	77,497	6,539,612	185,090	63,370	103,358	30,069	958,424	2,168,697
Engineering services	60,711	4,621,482	108,183	13,878	56,778	10,826	411,160	2,342,326

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Drafting, building inspections, and geophysical surveying	44,376	1,843,853	21,860	* 2,049	11,896	5,486	127,718	964,613
Surveying and mapping (except geophysical) services	10,471	536,601	13,971	* 5,921	* 4,944	* 250	* 63,223	99,617
Testing laboratories	6,564	378,064	40,412	* 284	* 8,500	* 6,087	* 25,260	52,593
Specialized design services	270,473	10,263,624	269,256	39,981	263,794	33,017	557,836	2,885,560
Computer systems design services	286,069	12,186,926	191,694	35,177	141,674	47,325	1,705,179	4,839,241
Other professional, scientific, and technical services	1,932,153	102,510,415	2,067,457	378,855	1,570,868	377,132	6,449,377	46,620,942
Management, scientific, and technical consulting services	918,517	53,060,774	817,705	163,995	702,851	187,114	2,835,008	28,089,465
Scientific research and development services	40,461	1,162,391	20,558	2,405	13,601	10,992	66,557	570,060
Advertising and related services	144,018	8,748,762	153,891	58,915	152,366	23,094	481,910	2,584,673
Market research and public opinion polling	53,368	1,795,982	15,060	3,060	28,350	* 1,262	97,127	1,009,292
Other miscellaneous services	775,788	37,742,507	1,060,243	150,479	673,701	154,669	2,968,774	14,367,451
Administrative and support and waste management services	2,471,954	71,549,687	2,451,611	544,959	775,448	350,572	8,058,863	20,878,960
Administrative and support services	2,447,895	68,965,754	2,266,906	532,466	754,690	326,603	7,757,194	20,491,927
Waste management and remediation services	24,059	2,583,933	184,705	12,493	20,758	23,969	301,669	387,033
Educational services	855,798	12,462,997	307,997	71,587	794,438	48,973	812,423	4,259,346
Health care and social assistance	2,181,372	121,896,872	2,229,755	592,343	5,240,048	751,595	17,983,164	49,914,827
Ambulatory health care services	1,255,515	98,911,498	1,795,466	482,769	4,390,204	598,131	15,002,476	41,508,962
Offices of physicians (except mental health specialists)	179,425	31,912,367	424,971	135,809	1,196,190	149,349	4,256,628	15,050,488
Offices of physicians, mental health specialists	37,200	3,715,513	37,942	13,102	184,700	11,437	203,249	2,318,509
Offices of dentists	77,693	25,302,439	720,985	63,002	1,024,751	270,442	6,170,617	8,067,229
Offices of chiropractors	33,912	3,669,163	112,125	27,649	310,037	36,905	323,826	1,433,925
Offices of optometrists	22,796	4,048,270	79,244	13,079	271,129	25,559	761,914	1,205,976
Offices of mental health practitioners and social therapists	197,753	10,351,783	123,234	62,627	677,364	19,776	923,337	5,137,273
Offices of podiatrists	7,905	1,428,120	8,355	7,926	122,956	8,383	198,397	551,073
Outpatient care centers and other miscellaneous health practitioners	259,314	8,471,604	151,230	45,142	432,507	27,304	707,955	3,884,445
Medical and diagnostic laboratories	17,709	795,063	17,781	4,751	18,199	2,579	102,032	309,260
Home health care services	386,214	7,680,503	76,214	95,508	125,793	37,988	1,128,643	2,976,991
Other ambulatory health care services (including ambulance services, blood and organ banks)	35,594	1,536,673	43,385	14,174	26,580	8,409	225,878	573,793
Hospitals	9,787	1,284,437	16,423	6,045	26,124	7,329	211,178	522,188
Nursing and residential care facilities	81,300	4,626,400	113,369	26,240	237,640	68,530	1,160,950	819,912
Social assistance	834,770	17,074,537	304,497	77,289	586,079	77,604	1,608,560	7,063,766
Arts, entertainment, and recreation	1,499,737	39,117,870	1,672,912	285,042	1,341,279	216,440	2,178,580	9,471,518
Performing arts, spectator sports, and related industries	1,346,487	29,498,640	1,123,558	** 168,596	746,171	** 126,969	1,128,867	9,150,994
Museums, historical sites, and similar institutions	8,028	370,610	* 3,795	**	* 7,151	**	* 32,292	67,348
Amusement, gambling, and recreation industries	145,222	9,248,620	545,559	116,446	587,957	89,471	1,017,422	253,176
Accommodation, food services, and drinking places	486,163	61,958,635	1,914,086	481,061	3,975,082	732,270	11,087,619	3,248,628
Accommodation	58,393	6,646,123	701,779	7,659	236,936	404,078	907,198	148,368
Travel accommodation (including hotels, motels, and bed and breakfast inns)	38,853	5,160,174	542,983	5,684	142,058	333,844	754,461	88,237
RV (recreational vehicle) parks and recreational camps	9,999	669,227	99,781	373	* 12,955	47,834	41,103	-18,629
Rooming and boarding houses	9,542	816,722	59,015	* 1,602	81,923	22,399	111,633	78,760
Restaurants (full & limited service) and drinking places	427,770	55,312,512	1,212,308	473,402	3,738,146	328,192	10,180,421	3,100,260

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Drafting, building inspections, and geophysical surveying	37,008	1,770,185	9,743	* 1,975	* 11,335	5,408	119,481	1,014,204
Surveying and mapping (except geophysical) services	6,127	497,264	10,419	** 6,193	* 4,944	* 250	* 62,712	196,211
Testing laboratories	5,125	358,748	25,342	**	* 7,892	* 6,000	* 25,211	103,079
Specialized design services	176,730	8,822,654	175,481	26,509	204,214	19,446	423,292	3,405,631
Computer systems design services	205,353	11,106,575	131,553	21,728	84,666	39,263	1,429,545	5,534,885
Other professional, scientific, and technical services	1,417,251	93,519,862	1,339,334	295,375	1,220,672	233,825	5,355,031	50,806,239
Management, scientific, and technical consulting services	666,023	49,520,803	520,101	112,015	511,482	111,890	2,339,086	30,236,614
Scientific research and development services	33,193	1,044,489	10,334	* 2,292	8,182	291	43,469	713,767
Advertising and related services	108,708	7,896,722	107,558	50,519	115,015	13,767	422,090	2,861,696
Market research and public opinion polling	40,000	1,748,190	9,471	* 2,634	20,244	* 69	85,563	1,067,866
Other miscellaneous services	569,327	33,309,658	691,870	127,916	565,749	107,808	2,464,823	15,926,297
Administrative and support and waste management services	2,038,986	64,228,410	1,797,452	332,853	534,096	248,083	6,252,994	24,611,905
Administrative and support services	2,018,643	61,979,508	1,632,954	323,699	519,651	226,953	6,031,976	24,158,762
Waste management and remediation services	20,343	2,248,903	164,498	9,154	14,445	21,130	221,018	453,143
Educational services	659,976	11,143,884	182,165	49,113	639,244	26,185	649,676	5,411,369
Health care and social assistance	1,822,471	113,357,220	1,831,486	402,744	4,633,627	621,777	15,730,931	52,897,187
Ambulatory health care services	1,020,922	92,835,656	1,486,330	349,984	3,998,568	518,481	13,518,074	43,537,640
Offices of physicians (except mental health specialists)	147,778	29,632,784	320,911	119,538	1,071,911	119,397	3,757,287	15,316,264
Offices of physicians, mental health specialists	33,780	3,573,200	28,814	12,149	174,212	10,143	156,781	2,343,718
Offices of dentists	69,364	24,576,218	638,452	62,027	985,621	251,831	5,963,774	8,231,845
Offices of chiropractors	29,222	3,619,542	110,616	27,335	298,303	36,301	319,423	1,479,086
Offices of optometrists	17,559	3,798,862	77,586	10,969	259,703	25,421	705,815	1,215,123
Offices of mental health practitioners and social therapists	158,571	9,539,261	84,825	48,597	602,657	16,950	765,628	5,396,270
Offices of podiatrists	6,943	1,361,832	8,324	7,926	122,586	8,383	197,642	552,122
Outpatient care centers and other miscellaneous health practitioners	210,402	7,771,532	127,764	21,558	372,782	19,929	524,726	4,289,814
Medical and diagnostic laboratories	13,147	711,525	12,995	* 4,460	16,885	2,310	82,906	338,597
Home health care services	303,607	6,920,405	41,886	26,386	79,051	21,597	883,463	3,770,005
Other ambulatory health care services (including ambulance services, blood and organ banks)	30,548	1,330,495	34,157	9,039	14,857	6,220	160,629	604,797
Hospitals	8,273	912,977	8,560	4,622	2,887	1,462	60,344	552,760
Nursing and residential care facilities	67,662	3,689,771	83,632	* 13,669	* 177,122	* 39,723	* 814,971	988,145
Social assistance	725,615	15,918,815	252,963	34,469	455,050	62,111	1,337,541	7,818,642
Arts, entertainment, and recreation	981,481	32,740,300	702,048	197,018	923,011	121,044	1,403,739	13,857,603
Performing arts, spectator sports, and related industries	882,592	25,564,126	** 500,279	109,846	** 515,339	68,135	** 734,396	12,632,252
Museums, historical sites, and similar institutions	5,999	358,975	**	0	**	0	**	99,005
Amusement, gambling, and recreation industries	92,890	6,817,199	201,769	87,172	407,673	52,909	669,343	1,126,346
Accommodation, food services, and drinking places	314,810	47,900,310	944,094	327,095	2,879,792	373,266	7,875,355	6,106,848
Accommodation	31,063	4,140,449	262,600	2,645	72,285	179,282	542,603	758,396
Travel accommodation (including hotels, motels, and bed and breakfast inns)	21,770	3,171,758	195,134	1,535	65,358	141,140	418,386	576,635
RV (recreational vehicle) parks and recreational camps	4,855	393,827	36,255	* 104	* 743	* 27,002	21,583	37,154
Rooming and boarding houses	4,438	574,864	31,211	* 1,006	* 6,185	11,140	102,634	144,608
Restaurants (full & limited service) and drinking places	283,747	43,759,861	681,494	324,450	2,807,506	193,985	7,332,752	5,348,452

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Other services	3,512,160	112,054,576	3,243,624	924,979	7,357,323	711,191	8,801,884	29,421,897
Auto repair and maintenance	360,747	26,737,863	976,849	175,401	1,168,884	251,012	2,856,345	3,197,705
Automotive mechanical and electrical repair and maintenance	197,540	13,470,265	516,128	129,861	622,956	138,249	1,082,031	1,486,057
Automotive body shops	70,691	7,129,098	136,181	22,254	235,611	51,311	975,175	1,034,770
Other auto repair and maintenance (including oil change, lubrication, and car washes)	92,517	6,138,501	324,540	23,287	310,318	61,452	799,140	676,879
Miscellaneous repairs	398,593	17,561,761	605,074	69,474	400,000	114,731	1,544,527	3,750,311
Personal and laundry services	2,493,940	64,043,682	1,628,057	664,344	5,709,652	342,817	4,333,703	20,786,485
Religious, grantmaking, civic, professional and change, similar organizations	258,879	3,711,270	33,644	* 15,759	78,787	* 2,632	* 67,309	1,687,396
Unclassified establishments	589,940	6,582,839	199,251	53,543	96,957	31,994	125,582	2,562,396

Footnotes at end of table.

Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2015—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Other services	2,772,117	99,806,433	2,105,952	659,594	6,054,020	494,906	7,384,451	35,056,821
Auto repair and maintenance	269,084	22,918,340	671,735	133,046	973,733	184,142	2,460,207	4,228,356
Automotive mechanical and electrical repair and maintenance	145,682	11,434,994	343,173	111,727	530,594	104,656	911,004	2,178,361
Automotive body shops	58,682	6,485,807	117,159	4,705	214,247	40,038	898,677	1,124,664
Other auto repair and maintenance (including oil change, lubrication, and car washes)	64,720	4,997,539	211,403	16,614	228,892	39,447	650,526	925,331
Miscellaneous repairs	306,566	15,748,344	425,203	52,615	332,941	87,687	1,353,202	4,373,888
Personal and laundry services	2,004,463	57,804,081	993,715	469,823	4,692,429	222,582	3,569,361	24,394,806
Religious, grantmaking, civic, professional and change, similar organizations	192,004	3,335,668	15,298	* 4,110	54,917	* 496	* 1,682	2,059,771
Unclassified establishments	461,376	5,807,666	96,229	32,601	31,309	24,026	103,800	3,518,808

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

**Data combined to prevent disclosure of taxpayer information.

[1] Excludes amounts reported on Schedule C-EZ filed by certain small businesses not required to itemize their business deductions. Therefore, totals shown may be slightly understated.

[2] Includes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

[3] Interest paid is the sum of mortgage interest and other interest paid on business indebtedness.

[4] Payroll is the sum of salaries and wages plus the cost of labor reported as part of cost of sales and operations.

NOTE: Detail may not add to totals because of rounding.

Source: IRS, Statistics of Income Division, Sole Proprietorship Returns July 2017.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2015

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

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting and fishing	Mining	Utilities	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)
BUSINESSES WITH AND WITHOUT NET INCOME						
Number of returns [1]	25,226,245	269,704	134,638	20,235	2,696,797	380,959
Business receipts, total [1,2]	1,443,584,972	21,580,554	9,306,426	924,882	229,686,192	33,903,588
Income from sales and operations [1]	1,423,134,601	21,204,216	8,942,029	904,896	227,725,092	33,594,451
Other business income (loss) [1]	20,450,371	376,339	364,398	19,986	1,961,099	309,138
Business deductions, total [1,2]	1,112,822,766	20,272,458	8,762,485	885,964	189,743,676	30,212,332
Cost of sales and operations, total	431,691,688	8,113,389	1,884,486	357,455	92,632,479	16,721,374
Inventory, beginning of year	41,587,894	512,998	156,949	* 6,465	4,481,961	2,235,154
Cost of labor	36,945,498	492,926	251,288	**	16,892,056	1,717,634
Purchases	264,670,333	5,958,669	360,695	* 209,419	25,249,598	10,013,449
Materials and supplies	61,108,307	450,598	132,917	* 6,176	32,765,461	3,115,775
Other costs	70,954,423	1,191,151	1,173,559	155,091	18,075,877	2,086,722
Inventory, end of year	43,574,766	492,954	190,922	* 20,701	4,832,474	2,447,360
Advertising expenses	15,771,694	103,931	13,860	10,581	1,072,445	357,695
Car and truck expenses	89,810,369	1,054,152	283,838	40,411	16,051,922	1,112,971
Commissions	16,754,234	114,804	36,170	* 11,891	1,019,904	224,273
Contract labor	54,170,585	1,040,643	247,156	29,768	19,524,528	678,621
Depletion	475,514	1,440	381,172	* 406	41,018	756
Depreciation	38,432,775	1,977,625	794,538	82,506	6,013,180	1,150,795
Employee benefit programs	2,928,225	16,671	25,599	* 1,102	325,225	117,302
Insurance	19,513,476	405,841	164,874	15,295	4,080,647	363,466
Legal and professional services	12,846,985	113,409	159,761	18,355	1,120,301	289,858
Meals and entertainment deducted	9,913,823	76,779	31,043	4,015	875,896	126,863
Mortgage interest	3,253,641	59,782	78,177	* 4,453	286,812	81,199
Other interest paid on business indebtedness	5,934,740	160,205	128,582	5,727	762,628	249,820
Office expenses	12,944,789	82,077	41,437	12,235	1,008,011	232,986
Pension and profit-sharing plans	1,145,891	4,793	5,949	* 160	45,404	20,778
Rent paid on machinery and equipment	10,601,311	168,386	88,893	22,102	1,165,228	143,382
Rent paid on other business property	37,570,230	198,663	79,618	13,781	1,698,123	903,364
Repairs	18,746,938	743,371	147,696	18,331	2,206,595	399,413
Supplies	38,460,573	604,542	99,539	10,401	9,926,003	989,212
Salaries and wages	89,416,413	1,395,239	611,349	22,209	10,110,231	2,385,911
Taxes paid	19,812,028	302,576	237,508	17,516	2,230,167	551,232
Travel	16,588,826	168,620	111,637	11,327	1,218,905	285,608
Utilities	31,482,198	307,026	109,697	24,176	3,273,565	709,775
Other business expenses	119,845,961	2,949,210	2,955,505	141,589	11,577,296	1,914,584
Home office business deductions, total	9,817,446	84,365	23,110	* 2,097	965,864	167,765
Depreciation, Form 8829 [3]	1,228,229	12,180	2,060	**	105,718	25,129
Casualty loss, Form 8829 [3]	18,401	0	0	0	**	0
Carryover of excess casualty losses and depreciation, Form 8829 [3]	1,521,839	52,620	5,843	0	97,396	36,772
Net income less deficit [1,2]	331,832,538	1,364,994	553,002	41,715	40,030,430	3,762,370
Net income [1,2]	392,114,132	2,861,307	2,029,813	138,217	44,671,269	5,474,341
Deficit [2]	60,281,594	1,496,313	1,476,811	96,502	4,640,838	1,711,972

Footnotes at end of table.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2015—Continued

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

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting and fishing	Mining	Utilities	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)
BUSINESSES WITH NET INCOME						
Number of returns [1]	18,784,750	162,932	86,250	13,251	2,255,773	255,192
Business receipts, total [1,2]	1,236,419,550	17,358,619	6,160,323	414,382	207,050,445	27,990,543
Income from sales and operations [1]	1,219,802,269	17,090,326	5,973,064	414,105	205,252,602	27,755,472
Other business income	16,617,281	268,292	187,259	* 277	1,797,843	235,072
Business deductions, total [1,2]	844,622,482	14,498,789	4,134,645	276,336	162,395,788	22,554,519
Cost of sales and operations, total	330,052,100	6,514,499	981,653	* 125,280	79,957,974	13,142,946
Inventory, beginning of year	25,840,408	331,514	29,733	**	2,666,780	1,426,551
Cost of labor	30,553,030	388,653	90,276	**	14,962,030	1,267,367
Purchases	198,054,598	4,886,392	258,358	* 115,647	21,215,420	8,234,751
Materials and supplies	51,268,202	409,393	101,445	**	29,031,517	2,347,521
Other costs	51,740,128	814,662	545,445	* 3,013	14,915,551	1,468,149
Inventory, end of year	27,404,267	316,116	43,604	**	2,833,325	1,601,392
Advertising expenses	11,599,228	73,056	8,121	* 3,281	875,750	177,366
Car and truck expenses	67,322,317	648,210	216,297	26,491	13,729,475	755,973
Commissions	13,041,369	75,765	29,382	* 323	906,946	146,136
Contract labor	45,950,216	835,388	211,035	* 18,908	17,766,683	562,249
Depletion	257,705	* 4	187,771	* 351	38,136	* 325
Depreciation	24,547,475	1,171,210	390,971	15,746	4,731,791	736,324
Employee benefit programs	2,271,029	13,256	12,589	* 433	261,699	89,766
Insurance	15,250,503	255,307	103,429	5,578	3,452,630	275,443
Legal and professional services	9,187,521	72,313	62,212	1,555	857,560	167,708
Meals and entertainment deducted	7,858,948	58,348	22,661	* 581	741,959	95,693
Mortgage interest	2,018,820	28,060	16,200	* 516	183,679	51,158
Other interest paid on business indebtedness	3,755,163	95,307	41,535	* 1,395	487,389	115,939
Office expenses	9,879,460	63,868	23,052	1,952	840,227	171,803
Pension and profit-sharing plans	1,060,534	4,548	2,331	**	36,727	18,923
Rent paid on machinery and equipment	8,305,956	119,442	63,943	* 20,195	920,192	99,342
Rent paid on other business property	28,955,085	132,304	28,087	1,132	1,385,688	660,329
Repairs	13,873,611	498,982	96,226	4,900	1,789,408	277,742
Supplies	29,803,171	413,677	69,555	5,562	8,685,789	660,457
Salaries and wages	71,830,656	1,041,304	318,410	* 11,181	8,480,029	1,752,953
Taxes paid	15,498,814	205,642	116,060	5,200	1,873,956	406,776
Travel	12,073,641	102,459	77,880	2,222	980,647	173,264
Utilities	22,838,005	184,998	71,588	7,603	2,661,131	519,920
Other business deductions	84,503,521	1,820,704	946,372	9,842	9,389,394	1,339,500
Home office business deductions, total	8,087,190	45,430	19,744	* 1,941	856,965	123,155
Depreciation, Form 8829 [3]	821,026	4,842	535	**	79,543	16,921
Casualty loss, Form 8829 [3]	15,339	0	0	0	**	0
Excess-casualty depreciations, Form 8829 [3]	255,531	* 771	**	0	42,957	* 2,432
Net income [1,2]	392,114,132	2,861,307	2,029,813	138,217	44,671,269	5,474,341
Returns with Schedule C-EZ:						
Number of returns	5,391,652	41,580	23,430	7,105	487,707	52,334
Business receipts	43,066,410	249,389	108,672	42,362	4,859,151	374,706
Business deductions	4,892,414	24,919	21,294	* 8,075	511,296	33,330
Net income	38,173,996	224,470	87,378	34,287	4,347,855	341,375

Footnotes at end of table.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2015—Continued

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

Net income status, item	Wholesale trade (merchant wholesalers)	Retail trade	Transportation and warehousing	Information	Finance and insurance	Real estate and rental and leasing	Professional, scientific, and technical services
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	371,148	2,460,635	1,619,557	337,957	636,234	1,214,655	3,486,604
Business receipts, total [1,2]	58,023,627	184,752,906	102,761,658	13,324,032	90,052,429	77,364,512	196,280,689
Income from sales and operations [1]	57,501,371	182,869,991	101,504,747	13,123,379	88,122,057	75,473,382	192,541,685
Other business income (loss) [1]	522,256	1,882,916	1,256,911	200,652	1,930,372	1,891,130	3,739,004
Business deductions, total [1,2]	52,978,692	173,475,585	88,160,963	9,974,662	69,741,179	49,321,541	113,100,935
Cost of sales and operations, total	38,325,851	116,288,745	10,142,930	3,324,471	35,907,584	11,069,482	25,147,148
Inventory, beginning of year	4,061,811	21,224,489	337,739	93,188	372,951	2,766,189	1,143,142
Cost of labor	631,124	1,520,227	1,648,918	496,152	195,947	403,599	3,574,912
Purchases	32,610,640	104,082,711	3,085,624	1,132,867	27,281,115	5,167,794	9,249,067
Materials and supplies	1,955,415	6,194,162	928,503	119,282	174,624	931,073	3,083,209
Other costs	3,273,739	5,407,670	4,389,472	1,580,759	8,219,624	4,999,406	9,272,662
Inventory, end of year	4,206,878	22,140,515	247,327	97,777	336,677	3,198,581	1,175,844
Advertising expenses	516,420	2,027,979	301,654	261,519	1,088,529	2,328,587	2,860,193
Car and truck expenses	1,546,260	5,965,679	23,494,421	651,284	2,934,523	5,497,294	7,550,989
Commissions	533,966	1,973,436	1,617,266	196,518	3,263,199	2,999,277	1,833,685
Contract labor	719,398	1,604,032	6,508,118	731,679	1,283,836	1,594,568	6,778,075
Depletion	680	5,597	14,672	**	2,073	2,272	17,652
Depreciation	668,354	2,500,538	6,319,239	370,123	746,745	2,884,781	3,309,421
Employee benefit programs	78,784	202,480	72,541	25,831	196,798	133,933	644,229
Insurance	329,742	1,316,463	3,670,927	77,231	560,309	642,793	1,782,806
Legal and professional services	404,618	892,707	482,342	206,886	872,761	1,218,125	3,056,127
Meals and entertainment deducted	198,313	549,991	2,179,969	106,812	571,016	654,733	1,511,017
Mortgage interest	55,205	392,669	244,301	10,354	106,203	457,207	293,841
Other interest paid on business indebtedness	208,573	750,316	532,539	50,291	372,741	442,235	611,486
Office expenses	292,996	1,127,515	470,163	132,385	993,931	1,101,406	2,871,298
Pension and profit-sharing plans	36,296	45,293	6,541	3,948	117,612	45,087	310,048
Rent paid on machinery and equipment	284,200	541,738	3,575,912	125,903	223,648	438,972	869,435
Rent paid on other business property	844,734	5,786,798	975,022	298,375	1,600,301	1,136,900	4,453,976
Repairs	333,096	1,157,338	6,089,429	68,084	259,177	845,109	1,025,389
Supplies	688,714	3,266,886	1,460,487	253,323	536,949	903,634	2,874,114
Salaries and wages	1,941,615	8,108,352	3,290,446	667,678	4,791,858	2,497,083	13,666,034
Taxes paid	406,423	2,643,745	1,420,952	108,122	642,996	892,532	2,124,940
Travel	609,857	1,296,506	1,178,511	292,975	964,440	835,221	4,647,041
Utilities	643,553	3,823,698	1,586,101	344,190	1,188,922	1,877,144	4,381,376
Other business expenses	3,100,882	10,260,145	12,026,951	1,393,571	10,142,516	7,900,590	17,251,576
Home office business deductions, total	188,651	658,356	201,130	220,294	282,997	724,851	2,606,703
Depreciation, Form 8829 [3]	39,872	116,161	16,785	29,385	38,839	94,498	343,287
Casualty loss, Form 8829 [3]	** 6,011	0	0	0	* 411	**	3,651
Carryover of excess casualty losses and depreciation, Form 8829 [3]	120,599	186,461	11,745	27,520	39,362	111,919	415,724
Net income less deficit [1,2]	5,071,951	11,360,234	14,644,792	3,404,466	20,374,787	28,155,705	83,310,522
Net income [1,2]	6,748,135	19,771,114	18,571,192	4,306,285	22,984,870	32,575,890	90,521,156
Deficit [2]	1,676,185	8,410,880	3,926,400	901,819	2,610,084	4,420,185	7,210,634

Footnotes at end of table.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2015—Continued

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

Net income status, item	Wholesale trade (merchant wholesalers)	Retail trade	Transportation and warehousing	Information	Finance and insurance	Real estate and rental and leasing	Professional, scientific, and technical services
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BUSINESSES WITH NET INCOME							
Number of returns [1]	228,243	1,357,591	1,291,740	221,965	435,076	833,811	2,591,709
Business receipts, total [1,2]	48,155,851	150,886,928	88,501,948	10,756,551	55,338,532	68,020,579	180,800,625
Income from sales and operations [1]	47,730,543	149,219,248	87,434,977	10,606,980	54,275,311	66,413,459	177,521,919
Other business income	425,308	1,667,681	1,066,971	149,571	1,063,221	1,607,120	3,278,706
Business deductions, total [1,2]	41,422,794	131,127,043	69,939,286	6,460,277	32,359,222	35,452,972	90,338,877
Cost of sales and operations, total	31,185,277	93,507,138	8,026,329	2,247,031	8,014,766	8,372,366	20,615,680
Inventory, beginning of year	2,770,505	13,699,738	287,717	67,415	281,632	1,245,568	575,030
Cost of labor	433,340	1,076,727	1,337,203	261,945	171,018	316,702	3,222,014
Purchases	27,070,209	84,248,120	2,441,529	853,269	3,945,272	4,225,108	7,629,288
Materials and supplies	1,402,193	4,787,160	768,379	46,889	122,701	529,799	2,462,981
Other costs	2,313,414	4,335,319	3,349,537	1,085,839	3,753,290	3,600,656	7,378,657
Inventory, end of year	2,804,383	14,639,925	158,036	68,326	259,148	1,545,468	652,290
Advertising expenses	216,924	1,377,238	221,203	148,001	950,352	1,914,211	2,260,855
Car and truck expenses	1,091,941	3,323,204	18,974,427	392,911	2,149,639	4,109,872	5,520,234
Commissions	420,691	1,493,982	1,401,759	157,836	2,251,646	2,555,548	1,374,176
Contract labor	518,683	1,244,785	5,390,889	505,567	929,814	1,284,826	5,740,543
Depletion	123	3,035	14,240	0	1,670	1,524	4,974
Depreciation	381,318	1,294,613	3,998,316	225,212	514,657	1,422,477	2,284,736
Employee benefit programs	55,766	148,079	52,424	8,752	165,969	85,362	530,834
Insurance	234,453	906,850	2,912,292	46,518	463,006	427,583	1,422,093
Legal and professional services	235,430	560,528	368,553	107,719	515,371	797,870	2,480,123
Meals and entertainment deducted	152,024	331,215	1,928,263	81,684	456,242	535,741	1,198,977
Mortgage interest	22,012	240,938	185,955	* 2,798	79,932	216,271	221,157
Other interest paid on business indebtedness	128,594	462,319	351,717	25,709	223,487	241,480	441,148
Office expenses	196,625	674,651	355,401	79,333	796,374	856,391	2,370,900
Pension and profit-sharing plans	30,007	43,151	5,147	3,467	112,209	41,291	290,132
Rent paid on machinery and equipment	224,649	395,660	3,189,959	99,721	174,131	297,175	700,528
Rent paid on other business property	585,088	3,826,149	665,947	175,543	1,284,488	806,737	3,708,496
Repairs	217,498	770,790	4,931,697	46,350	208,038	490,646	798,737
Supplies	527,063	1,935,205	1,110,051	183,446	424,108	665,238	2,185,917
Salaries and wages	1,419,708	5,993,610	2,341,367	417,011	4,150,836	1,729,301	11,799,744
Taxes paid	292,887	1,877,624	1,149,026	75,062	537,353	618,796	1,790,735
Travel	415,100	719,583	963,066	208,123	720,505	589,353	3,697,245
Utilities	422,406	2,308,240	1,194,474	223,131	957,444	1,332,897	3,328,178
Other business deductions	2,316,339	6,936,031	9,724,121	787,029	5,967,213	5,251,962	12,815,977
Home office business deductions, total	110,930	473,417	185,462	159,576	226,194	612,272	2,148,359
Depreciation, Form 8829 [3]	11,295	56,412	13,473	17,552	28,489	62,820	249,819
Casualty loss, Form 8829 [3]	** 6,011	0	0	0	* 411	**	* 1,556
Excess-casualty depreciations, Form 8829 [3]	** 308	21,536	* 1,651	**	* 6,763	16,521	76,116
Net income [1,2]	6,748,135	19,771,114	18,571,192	4,306,285	22,984,870	32,575,890	90,521,156
Returns with Schedule C-EZ:							
Number of returns	42,205	354,199	259,457	79,011	76,796	124,275	627,157
Business receipts	297,045	2,189,979	1,570,756	514,991	810,184	1,611,035	6,866,026
Business deductions	21,510	288,582	298,402	52,809	89,516	197,723	622,336
Net income	275,535	1,901,397	1,272,354	462,181	720,669	1,413,312	6,243,690

Footnotes at end of table.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2015—Continued

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

Net income status, item	Administrative and support and waste management services	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation, food services, and drinking places	Other services	Unclassified establishments
	(14)	(15)	(16)	(17)	(18)	(19)	(20)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	2,471,954	855,798	2,181,372	1,499,737	486,163	3,512,160	589,940
Business receipts, total [1,2]	71,549,687	12,462,997	121,896,872	39,117,870	61,958,635	112,054,576	6,582,839
Income from sales and operations [1]	70,608,444	12,333,478	120,088,742	37,885,485	61,303,631	110,929,691	6,477,834
Other business income (loss) [1]	941,243	129,520	1,808,129	1,232,385	655,003	1,124,885	105,004
Business deductions, total [1,2]	50,703,589	8,223,780	72,052,242	29,726,657	58,742,620	82,716,777	4,026,628
Cost of sales and operations, total	13,000,750	672,130	5,881,723	5,641,055	23,188,454	22,761,083	631,099
Inventory, beginning of year	328,079	136,487	400,541	723,160	756,846	1,771,840	77,905
Cost of labor	2,687,445	119,891	1,333,655	399,060	2,033,137	2,470,687	** 76,841
Purchases	4,650,269	308,977	1,541,150	2,449,787	18,532,942	12,582,530	203,029
Materials and supplies	2,398,574	55,139	1,227,293	451,921	1,580,731	5,255,898	281,555
Other costs	3,267,235	196,398	1,801,418	2,386,203	1,053,980	2,358,384	65,073
Inventory, end of year	330,852	144,762	422,334	769,076	769,181	1,678,256	72,296
Advertising expenses	660,279	235,873	1,126,733	664,383	887,655	1,184,878	68,500
Car and truck expenses	7,015,506	984,402	3,949,123	2,228,059	1,161,939	7,488,667	798,928
Commissions	429,220	97,619	458,915	865,172	308,737	710,366	59,818
Contract labor	3,540,787	382,938	2,860,287	1,149,704	784,038	4,437,373	275,037
Depletion	1,634	* 995	347	231	1,687	2,875	** 7
Depreciation	2,391,876	263,980	2,098,312	1,604,229	1,903,123	3,156,469	196,939
Employee benefit programs	120,504	22,597	612,599	78,252	92,260	160,009	1,510
Insurance	1,237,706	108,611	1,967,549	308,449	930,638	1,485,489	64,641
Legal and professional services	638,306	162,375	1,440,061	561,834	433,954	714,384	60,821
Meals and entertainment deducted	441,307	153,096	1,163,788	433,500	175,968	574,182	85,534
Mortgage interest	114,097	17,385	251,426	81,094	404,230	299,469	* 15,736
Other interest paid on business indebtedness	236,475	31,588	500,169	135,346	328,040	411,722	16,258
Office expenses	681,477	222,433	1,739,093	389,252	261,047	1,218,877	66,170
Pension and profit-sharing plans	52,667	11,158	396,768	16,127	9,551	16,215	* 1,498
Rent paid on machinery and equipment	544,959	71,587	592,343	285,042	481,061	924,979	53,543
Rent paid on other business property	775,448	794,438	5,240,048	1,341,279	3,975,082	7,357,323	96,957
Repairs	1,084,300	94,832	989,485	516,286	1,225,182	1,431,851	111,974
Supplies	2,647,757	464,468	4,510,020	1,199,289	1,817,574	5,946,988	260,673
Salaries and wages	5,371,418	692,531	16,649,509	1,779,520	9,054,482	6,331,197	49,749
Taxes paid	877,691	153,035	2,223,364	436,084	2,786,153	1,731,142	25,850
Travel	743,042	366,949	1,165,048	1,440,191	219,323	921,855	111,769
Utilities	1,609,973	450,018	2,663,633	1,033,529	2,927,030	4,366,211	162,583
Other business expenses	5,271,119	1,355,904	11,549,091	6,633,854	5,244,724	7,554,383	622,470
Home office business deductions, total	557,897	238,707	1,517,761	623,825	80,057	642,995	30,022
Depreciation, Form 8829 [3]	59,735	44,017	131,443	68,683	10,963	87,155	** 2,318
Casualty loss, Form 8829 [3]	** 4,495	0	* 1,472	**	**	**	** 2,361
Carryover of excess casualty losses and depreciation, Form 8829 [3]	65,169	73,398	59,267	107,144	19,849	88,817	2,237
Net income less deficit [1,2]	20,878,960	4,259,346	49,914,827	9,471,518	3,248,628	29,421,897	2,562,396
Net income [1,2]	24,611,905	5,411,369	52,897,187	13,857,603	6,106,848	35,056,821	3,518,808
Deficit [2]	3,732,946	1,152,023	2,982,360	4,386,086	2,858,220	5,634,924	956,412

Footnotes at end of table.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2015—Continued

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

Net income status, item	Administrative and support and waste management services	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation, food services, and drinking places	Other services	Unclassified establishments
	(14)	(15)	(16)	(17)	(18)	(19)	(20)
BUSINESSES WITH NET INCOME							
Number of returns [1]	2,038,986	659,976	1,822,471	981,481	314,810	2,772,117	461,376
Business receipts, total [1,2]	64,228,410	11,143,884	113,357,220	32,740,300	47,900,310	99,806,433	5,807,666
Income from sales and operations [1]	63,598,666	11,057,982	111,692,226	31,767,147	47,456,890	98,824,342	5,717,011
Other business income	629,744	85,902	1,664,994	973,153	443,420	982,091	90,655
Business deductions, total [1,2]	39,619,953	5,747,055	60,481,147	18,924,536	41,807,198	64,788,862	2,293,182
Cost of sales and operations, total	10,679,381	542,051	5,021,194	4,290,970	17,797,063	18,453,299	577,202
Inventory, beginning of year	255,281	34,324	296,418	390,313	436,217	977,675	** 67,998
Cost of labor	1,988,463	107,856	1,143,144	324,591	1,372,316	2,019,006	** 70,381
Purchases	4,444,977	253,588	1,285,359	1,914,243	14,651,886	10,189,395	191,787
Materials and supplies	2,047,181	33,280	1,086,947	309,245	1,070,435	4,458,042	** 253,096
Other costs	2,208,182	156,428	1,511,127	1,746,580	734,758	1,762,624	** 56,897
Inventory, end of year	264,703	43,424	301,800	394,001	468,548	953,442	** 56,335
Advertising expenses	446,266	146,355	928,496	388,245	601,036	846,749	15,722
Car and truck expenses	5,303,927	610,902	2,821,362	1,264,537	660,061	5,357,611	365,243
Commissions	360,391	84,348	375,330	692,492	120,940	560,090	33,590
Contract labor	3,017,104	305,981	2,448,261	810,563	552,602	3,665,781	140,554
Depletion	1,563	* 835	330	99	* 1,480	* 1,244	0
Depreciation	1,754,563	158,982	1,715,621	658,620	936,960	2,060,592	94,767
Employee benefit programs	91,896	19,850	516,526	50,600	50,301	115,730	* 1,196
Insurance	985,963	70,423	1,680,846	177,642	647,176	1,156,006	27,265
Legal and professional services	478,083	116,950	1,196,279	337,704	259,395	537,444	34,721
Meals and entertainment deducted	329,736	97,159	977,784	279,800	101,586	428,052	41,445
Mortgage interest	81,020	8,716	199,128	50,012	203,561	214,568	* 13,139
Other interest paid on business indebtedness	167,063	17,469	422,649	71,032	169,705	280,338	10,887
Office expenses	456,097	135,673	1,550,150	235,776	145,108	893,253	32,827
Pension and profit-sharing plans	43,253	5,592	383,501	14,690	8,703	15,313	** 1,548
Rent paid on machinery and equipment	332,853	49,113	402,744	197,018	327,095	659,594	32,601
Rent paid on other business property	534,096	639,244	4,633,627	923,011	2,879,792	6,054,020	31,309
Repairs	772,514	61,830	810,770	290,080	750,484	1,010,566	46,353
Supplies	1,923,951	300,905	3,932,199	706,832	1,274,391	4,651,305	147,520
Salaries and wages	4,264,531	541,820	14,587,786	1,079,149	6,503,039	5,365,445	33,432
Taxes paid	696,755	125,980	1,945,319	295,891	2,043,035	1,428,549	14,168
Travel	537,587	220,874	945,516	961,443	132,708	567,742	58,325
Utilities	1,152,930	276,433	2,205,320	644,216	2,006,874	3,265,615	74,608
Other business deductions	4,076,460	863,237	8,918,177	3,743,050	3,513,687	5,797,206	287,221
Home office business deductions, total	478,022	178,567	1,377,970	483,286	59,782	524,378	21,739
Depreciation, Form 8829 [3]	42,889	23,183	115,865	43,428	7,133	45,360	** 1,468
Casualty loss, Form 8829 [3]	** 4,412	0	* 1,472	**	**	**	** 1,477
Excess—casualty depreciations, Form 8829 [3]	8,542	* 9,392	25,674	13,578	7,381	19,924	** 1,982
Net income [1,2]	24,611,905	5,411,369	52,897,187	13,857,603	6,106,848	35,056,821	3,518,808
Returns with Schedule C-EZ:							
Number of returns	786,784	298,795	585,461	351,285	68,558	851,062	274,452
Business receipts	5,774,395	1,195,696	5,910,657	1,624,170	427,381	7,125,700	1,514,116
Business deductions	657,397	174,132	505,048	281,070	60,634	885,792	158,548
Net income	5,116,998	1,021,564	5,405,609	1,343,100	366,747	6,239,908	1,355,568

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

** Data combined to prevent disclosure of taxpayer information.

[1] Includes returns with Schedule C-EZ attached. Schedule C-EZ was filed for certain small businesses, i.e., those with net incomes, business expenses of \$5,000 or less, used the cash accounting method, with no inventories or employees, and with no deduction for a home office business and no allowable "passive" activity losses. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

[2] Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

[3] These are selected line items from Form 8829, *Expenses for Business Use of Your Home*, and do not represent the total of the home office business deduction found on the Schedule C.

NOTE: Detail may not add to totals because of rounding.

Source: IRS, Statistics of Income Division, Sole Proprietorship Returns, June 2017.

