

Foreign-Controlled Domestic Corporations, 2001

by James R. Hobbs

For Tax Year 2001, the 60,618 domestic corporations each “controlled” by a foreign “person” generated \$2.5 trillion of total receipts and reported \$6.5 trillion of total assets on income tax returns filed with the Internal Revenue Service (IRS). Total receipts for 2001 were actually less than those reported for 2000, while total assets increased for 2001 over the previous year. These corporations were relatively few in number, just 1.2 percent of the U.S. total. However, they accounted for 12.2 percent and 13.2 percent of receipts and assets, respectively, reported on all U.S. corporation income tax returns. They also accounted for 12.0 percent of “taxable income” and 13.1 percent of total U.S. income tax after credits reported on these returns.

The profits (i.e., “net income (less deficit)” shown in the statistics) reported by foreign-controlled domestic corporations (FCDC’s) for tax purposes under the Internal Revenue Code were \$8.3 billion for 2001. This was a large decrease of over 87 percent from the \$66.3 billion reported for the prior year [1]. Placed in context, the net income (less deficit) reported on all corporation income tax returns also declined substantially from \$927.5 billion for 2000 to \$603.6 billion for 2001, a 35-percent decrease [2]. As a result, FCDC’s accounted for 1.4 percent of the profits reported by all corporations for Tax Year 2001, down significantly from 7.1 percent for the prior year.

Of all the FCDC’s, 24,898 reported positive profits (i.e., net income) for 2001, totaling \$94.3 billion. This was a decrease from the \$118.6 billion reported for the prior year. The profitable companies for 2001 also reported \$76.1 billion of taxable income after statutory special deductions (i.e., “income subject to tax” shown in the statistics), another significant decrease from the previous year. The U.S. tax liability (i.e., “total income tax after credits”) of FCDC’s was \$21.8 billion for 2001, about 22 percent less than that of the prior year.

For 2001, the 3,321 “largest” companies (i.e., those with at least \$250 million of assets, or with at least \$50 million of receipts, or with both) accounted for most of the key financial items of all FCDC’s:

95.3 percent of total assets, 93.2 percent of total receipts, 91.5 percent of taxable income, and 90.8 percent of total income tax after credits. After an overview of all FCDC’s, this article focuses on the largest foreign-controlled domestic companies and compares them to the largest domestic corporations not controlled by foreign persons.

Tables showing selected balance sheet, income statement, and tax items for FCDC’s are included at the end of this article. Table 1 shows historical FCDC data for selected tax years between 1971 and 2001. Table 2 includes information for all FCDC’s, classified by major industries that conform to the North American Industry Classification System (NAICS). Table 3 also presents data for all FCDC’s, classified by countries of the foreign owners, as well as age of the corporations. Table 4 presents information on the “largest” FCDC’s, classified by industrial sectors. For comparison purposes, this table also contains data for the largest domestic corporations not controlled or owned by foreign persons. For reasons explained later in this article, Table 4 excludes data from Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations).

Direct Foreign Investment in the United States

Direct foreign investment in the United States can take several forms, including corporations, partnerships, and even joint ventures. Under these forms of direct investment, the foreign investor may have sufficient equity in the enterprise to control and participate in managing its operations [3]. With regard to corporations, a foreign investor can either gain control of an existing U.S. company, create a new company incorporated in the United States, or operate in the United States through a branch of a foreign corporation. There are numerous factors involved in the decision of a foreign investor to operate in the United States through either a domestic or foreign corporation [4, 5].

This article focuses on domestic corporations that are controlled by foreign persons. For the foreign-controlled domestic corporations covered in this article, “control” is generally defined as ownership by any foreign person or entity (including an individual, corporation, partnership, estate, or trust), directly or indirectly, of 50 percent or more of a U.S.

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corporation's voting stock (or the value of all of the corporation's stock) at any time during the accounting period. (This is discussed in greater depth in the Data Sources and Limitations section. Also, a description of foreign persons and an explanation of the rules of constructive ownership are given in the Explanation of Selected Terms section.)

Foreign-controlled domestic corporations can file tax returns on: (1) Form 1120, *U.S. Corporation Income Tax Return*; (2) Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; (3) Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; (4) Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and (5) Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*. The FCDC statistics shown in this article, unless otherwise stated, include all of these return types. Data for all corporation income tax returns discussed in this article include (unless otherwise stated) the five form types listed above, plus two types filed by domestic corporations: Form 1120-A, *U.S. Corporation Short-Form Income Tax Return*, and Form 1120S, *U.S. Income Tax Return for an S Corporation*. Also included in the total is Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*, for foreign corporations with income effectively connected with a U.S. trade or business. All of these form types are included in the Statistics of Income Corporate Study, from which FCDC statistics are derived [6]. However, FCDC's cannot file Forms 1120-A, 1120-F, or 1120S.

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Growth of Corporations

Direct foreign investment in the United States through foreign-controlled domestic corporations grew steadily, for the most part, during the 1992-2001 period [7]. This growth was evident in most of the financial items, such as assets and receipts, while less so in the number of returns.

There were an estimated 60,618 returns of foreign-controlled domestic corporations for 2001, a slight increase from the estimated 60,609 returns for the prior year. Returns of FCDC's comprised a rather constant percentage of all U.S. corporation income tax returns, generally between 1.2 percent and 1.4 percent for each year between 1992 and

2001. This is in contrast to the percentages of assets and receipts (discussed below) accounted for by FCDC's, both of which increased substantially over this same time period.

To the extent that FCDC's filed consolidated income tax returns, the data included in this article actually represent more corporations than the stated number of returns. FCDC's, like most other corporations, could elect to file consolidated returns for affiliated groups of domestic corporations. Consolidated returns contained the combined financial data of two or more corporations in which a common parent corporation owned at least 80 percent of the stock of at least one member of the group, and at least 80 percent of the stock of each other member of the group was owned within the group. A consolidated return filed by a common parent was treated as a unit, with each statistical item determined on the basis of the combined data of the affiliated group. For 2001, there were 7,299 consolidated returns filed by FCDC's, 12.0 percent of all FCDC returns. These returns accounted for \$6.0 trillion of assets (91.8 percent of the total for all FCDC's), \$2.2 trillion of receipts (87.8 percent of the total), \$8.6 billion of net income less deficits (104.1 percent of the total), \$66.3 billion of taxable income (87.1 percent of the total), and \$18.7 billion of total income tax after credits (86.1 percent of the total).

The assets of domestic corporations controlled by foreign persons increased by 7.0 percent between 2000 and 2001, more than the 4.5-percent increase for assets reported on all U.S. corporation income tax returns [8]. As a result, the percentage of total corporate assets accounted for by FCDC's rose from 12.9 percent for 2000 to 13.2 percent for 2001. This new level is a considerable increase from 9.4 percent for 1992 (see Figure A).

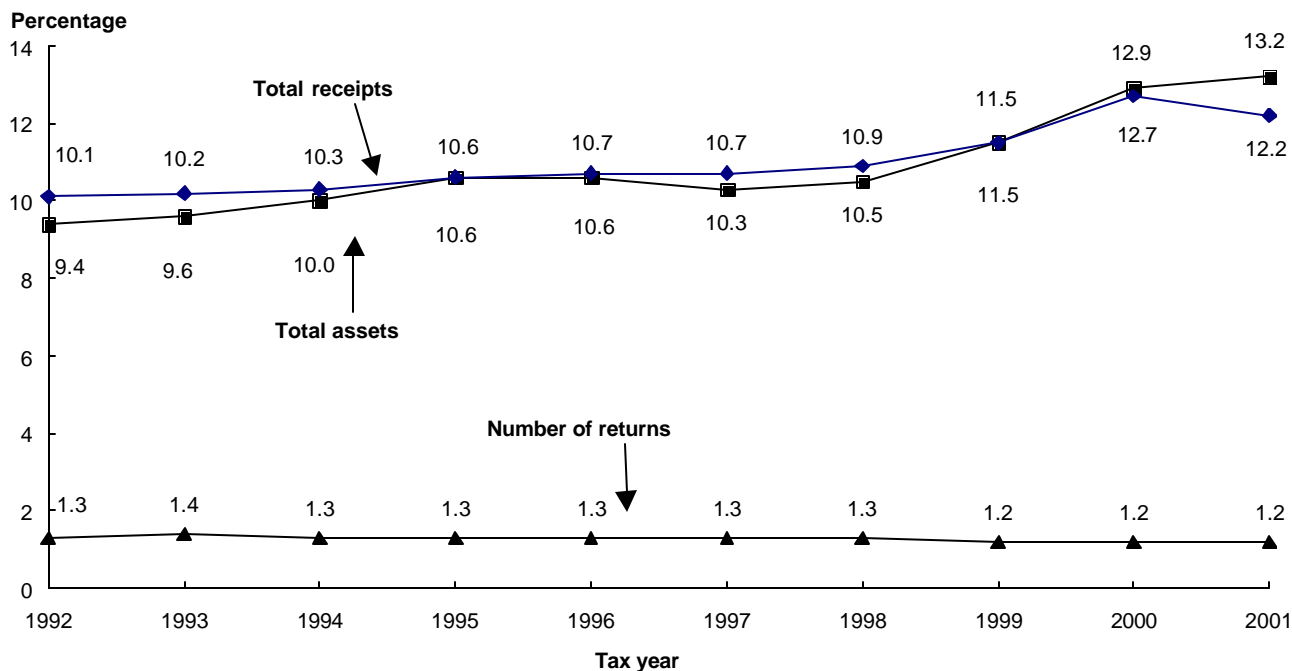
Total receipts of FCDC's actually decreased by 4.9 percent between 2000 and 2001, compared to 1.6 percent for all corporations over that time period. Clearly, this was not the best of times for corporations, FCDC's or otherwise. FCDC's reported \$2.5 trillion of receipts for 2001. Using a longer time period, the level of receipts for 2001 was an increase

FCDC's have grown from 2.1 percent of total corporate receipts for 1971 to 12.2 percent for 2001.

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Figure A

Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 1992-2001



of 109.5 percent (using current dollars) from \$1.2 trillion of FCDC receipts for 1992. In comparison, total receipts reported on all U.S. corporation income tax returns grew from \$11.7 trillion for 1992 to \$20.3 trillion for 2001, a 72.7-percent increase. As a result of the relative rapid growth rate of FCDC's, their share of the receipts reported on all corporate returns increased from 10.1 percent for 1992 to 12.2 percent for 2001.

The growth of FCDC's can also be measured from the early 1970's, when a question concerning foreign ownership of corporations was first placed on the income tax return. For 1971, the 5,154 FCDC's reported \$36.7 billion of total assets and \$39.2 billion of total receipts. They accounted for just 0.3 percent of the returns, 1.3 percent of the assets, and 2.1 percent of the receipts reported by all corporations for that year (see Table 1).

Industry Characteristics

For 2001, foreign-controlled domestic corporations were involved in every type of industrial activity. However, 43,700 of the 60,618 returns (72.1 percent) had primary activities in one of five industrial sectors:

(1) wholesale trade (15,494 returns); (2) real estate and rental and leasing (11,703 returns); (3) manufacturing (7,014 returns); (4) professional, scientific, and technical services (5,704 returns); and (5) retail trade (3,785 returns). By comparison, relatively few FCDC's were involved in health care or social assistance (152 returns) or as utilities (81 returns) (see Figure B). (The Data Sources and Limitations section discusses how returns were classified by industry.)

Corporations classified as wholesalers accounted for 21.9 percent of receipts for all FCDC's, a percentage somewhat similar to the 25.6 percent of the total returns they comprised. However, these companies reported only 4.8 percent of total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.3 percent of assets and 0.8 percent of receipts of all FCDC's. These percentages were both substantially less than the 19.3 percent of the FCDC returns that they filed.

Manufacturing corporations filed 11.6 percent of the FCDC returns for Tax Year 2001. Additionally,

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Figure B

Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2001

[Money amounts are in millions of dollars]

| Industrial sector | Returns | | Total assets | | Total receipts | |
|---|---------------|---------------------|------------------|---------------------|------------------|---------------------|
| | Number | Percentage of total | Amount | Percentage of total | Amount | Percentage of total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| All industries¹ | 60,618 | 100.00 | 6,499,997 | 100.00 | 2,482,900 | 100.00 |
| Agriculture, forestry, fishing, and hunting..... | 916 | 1.51 | 6,867 | 0.11 | 4,912 | 0.20 |
| Mining..... | 617 | 1.02 | 128,690 | 1.98 | 32,434 | 1.31 |
| Utilities..... | 81 | 0.13 | 62,037 | 0.95 | 20,348 | 0.82 |
| Construction..... | 1,720 | 2.84 | 46,840 | 0.72 | 43,482 | 1.75 |
| Manufacturing..... | 7,014 | 11.57 | 1,766,405 | 27.18 | 1,059,021 | 42.65 |
| Wholesale and retail trade ¹ | 19,280 | 31.81 | 400,674 | 6.16 | 669,119 | 26.95 |
| Wholesale trade..... | 15,494 | 25.56 | 314,585 | 4.84 | 543,494 | 21.89 |
| Retail trade..... | 3,785 | 6.24 | 86,080 | 1.32 | 125,607 | 5.06 |
| Transportation and warehousing..... | 1,917 | 3.16 | 46,751 | 0.72 | 37,676 | 1.52 |
| Information..... | 2,209 | 3.64 | 642,313 | 9.88 | 93,222 | 3.75 |
| Finance and insurance..... | 1,758 | 2.90 | 2,530,370 | 38.93 | 352,561 | 14.20 |
| Real estate and rental and leasing..... | 11,703 | 19.31 | 82,925 | 1.28 | 18,914 | 0.76 |
| Professional, scientific, and technical services..... | 5,704 | 9.41 | 79,648 | 1.23 | 44,880 | 1.81 |
| Management of companies (holding companies)..... | 2,502 | 4.13 | 601,274 | 9.25 | 42,085 | 1.69 |
| Administrative and support and waste management and remediation services..... | 1,606 | 2.65 | 29,981 | 0.46 | 25,091 | 1.01 |
| Educational services..... | 747 | 1.23 | 1,678 | 0.03 | 975 | 0.04 |
| Health care and social assistance..... | 152 | 0.25 | 13,758 | 0.21 | 8,823 | 0.36 |
| Arts, entertainment, and recreation..... | 704 | 1.16 | 4,220 | 0.06 | 2,527 | 0.10 |
| Accommodation and food services..... | 1,406 | 2.32 | 49,636 | 0.76 | 22,920 | 0.92 |
| Other services..... | 341 | 0.56 | 5,901 | 0.09 | 3,905 | 0.16 |
| Not allocable..... | 240 | 0.40 | 29 | (²) | 5 | (²) |

¹ Includes "Wholesale and retail trade not allocable," not shown separately.

² Less than 0.005 percent.

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

these capital-intensive goods-producing companies accounted for far greater percentages of the total FCDC assets (27.2 percent) and receipts (42.7 percent). These corporations were often large, with reported average amounts of assets and receipts of \$251.8 million and \$151.0 million, respectively.

Corporations classified in the professional, scientific, and technical services industrial sector reported only 1.2 percent of assets and 1.8 percent of receipts of all FCDC's. This sector differs from manufacturing in this regard. Both of the percentages for this services sector are significantly lower than the percentage (9.4 percent) of total FCDC returns they represented. These service corporations were generally smaller than those in manufacturing, with reported average amounts of assets and receipts of \$14.0 million and \$7.9 million, respectively.

Retailers accounted for 6.2 percent of total FCDC returns filed for Tax Year 2001. This percentage was higher than both the percentage of FCDC assets (1.3 percent) and receipts (5.1 percent) they represented.

Three additional sectors warrant significant discussion at this point. First, while corporations classified in the finance and insurance industrial sector composed only 2.9 percent of total returns filed by FCDC's for Tax Year 2001, they accounted for a very large portion of FCDC assets (38.9 percent). In fact, this was the largest share of total assets by any of the industrial sectors. Additionally, finance and insurance companies accounted for 14.2 percent of total FCDC receipts.

Two additional sectors contributed substantial amounts of assets to the FCDC total: information

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companies with 9.9 percent and management (or holding) companies with 9.3 percent. However, neither of these sectors accounted for significant portions of the number of returns filed by FCDC's, nor the receipts reported by them.

While foreign-controlled domestic corporations accounted for 12.2 percent of the \$20.3 trillion of total receipts reported by all corporations filing U.S. income tax returns for 2001, these companies played disproportionately larger roles in certain industries. For instance, FCDC's produced substantial portions of the total receipts reported for wholesale trade (21.8 percent), manufacturing (19.9 percent), and mining (19.1 percent). Conversely, FCDC involvement in a number of other industries was relatively low and accounted for a small percent of receipts for all companies classified in the following industries: other services (2.2 percent); health care and social

assistance (2.0 percent); and utilities (1.9 percent) (see Figure C).

Companies in different industries often have different financial characteristics. For instance, the relative levels of total assets and total receipts of companies primarily engaged in wholesale trade activities differ significantly from those primarily engaged in credit intermediation (e.g., savings institutions, commercial banks, and credit unions). FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (as of the end of their accounting periods), resulting in \$1.73 of receipts for each dollar of assets for 2001. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDC's produced only \$.11 of receipts for each dollar of assets (see Table 2).

Statistics classified by industry do have certain limitations, which are discussed more thoroughly in

Figure C

Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Total Receipts, by Industrial Sectors, Tax Year 2001

[Money amounts are in millions of dollars]

| Industrial sector | Total receipts | | |
|---|-------------------|--|--------------|
| | All corporations | Foreign-controlled domestic corporations | Percentage |
| | (1) | (2) | (3) |
| All industries ¹ | 20,272,958 | 2,482,900 | 12.25 |
| Agriculture, forestry, fishing, and hunting..... | 115,434 | 4,912 | 4.26 |
| Mining..... | 169,540 | 32,434 | 19.13 |
| Utilities..... | 1,051,655 | 20,348 | 1.93 |
| Construction..... | 1,102,724 | 43,482 | 3.94 |
| Manufacturing..... | 5,315,599 | 1,059,021 | 19.92 |
| Wholesale and retail trade ¹ | 5,312,290 | 669,119 | 12.60 |
| Wholesale trade..... | 2,487,465 | 543,494 | 21.85 |
| Retail trade..... | 2,823,705 | 125,607 | 4.45 |
| Transportation and warehousing..... | 516,416 | 37,676 | 7.30 |
| Information..... | 946,598 | 93,222 | 9.85 |
| Finance and insurance..... | 2,621,772 | 352,561 | 13.45 |
| Real estate and rental and leasing..... | 239,599 | 18,914 | 7.89 |
| Professional, scientific, and technical services..... | 665,085 | 44,880 | 6.75 |
| Management of companies (holding companies)..... | 788,062 | 42,085 | 5.34 |
| Administrative and support and waste management and remediation services..... | 352,935 | 25,091 | 7.11 |
| Educational services..... | 26,923 | 975 | 3.62 |
| Health care and social assistance..... | 443,352 | 8,823 | 1.99 |
| Arts, entertainment, and recreation..... | 75,491 | 2,527 | 3.35 |
| Accommodation and food services..... | 353,715 | 22,920 | 6.48 |
| Other services..... | 174,836 | 3,905 | 2.23 |
| Not allocable..... | 932 | 5 | 0.54 |

¹ Includes "Wholesale and retail trade not allocable," not shown separately.

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

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the Data Sources and Limitations section, below. However, a brief point should be made here. FCDC's accounted for 21.8 percent and 19.9 percent of receipts of all companies classified as wholesalers and manufacturers, respectively. However, these percentages may overstate the FCDC portion of wholesaling and understate the FCDC portion of manufacturing. This is because certain U.S. companies (not foreign-controlled) and their subsidiaries may have been involved in both manufacturing and wholesaling of the same product(s) and reported tax information for these activities on a single (consolidated) income tax return, which was statistically classified under the industry of its principal business activity, that being manufacturing, rather than trade. Conversely, many FCDC's acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These domestic companies would have been classified in the wholesale trade industrial sector.

Country Characteristics

Persons resident in any country throughout the world can control U.S. corporations. However, for 2001, owners from 36 countries controlled 89.6 percent of the 60,618 domestic corporations classified as 50-percent-or-more controlled by a foreign person. The 54,339 corporations controlled by persons resident in the 36 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.2 percent of total assets, 98.5 percent of total receipts, 99.0 percent of taxable income, and 98.8 percent of total income tax after credits.

The countries represent the geographic location of the foreign owner's place of residence in the case of individuals; and place of incorporation, organization, creation, or administration in the case of corporations or other entities. Because holding companies located in a country different from that of the ultimate owner may directly own the stock of U.S. affiliates, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. No data on the extent of this potential limitation are available.

Domestic corporations controlled by Japanese persons reported total receipts of \$484 billion for 2001, an amount substantially larger than for any other country. These receipts represented 19.5 percent of the total for all FCDC's (see Figure D).

Companies controlled by Japanese persons also accounted for the largest amount of receipts for each of the years in the 1992-2000 period. For 2001, domestic corporations with owners resident in the United Kingdom (\$342 billion), Germany (\$326 billion), the Netherlands (\$294 billion), Canada (\$205 billion), France (\$187 billion), and Switzerland (\$126 billion) also accounted for significant amounts of receipts. The receipts for six of these seven leading countries decreased from 2000 to 2001, with France having the only increase (4.3 percent).

For the top seven countries mentioned above, there were some similarities and some differences among the primary industrial activities of the corporations that produced the receipts. Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$484 billion of receipts: wholesale trade (52.5 percent of the total) and manufacturing (35.3 percent). More specifically, wholesale trade of durable goods was the industry that produced the most receipts. Of the seven countries, Japan and Switzerland were the only ones in which manufacturing was not the leading industrial sector in producing receipts.

United Kingdom-controlled corporations were concentrated in industries differently than Japanese-controlled corporations. For the United Kingdom, manufacturing was the predominant industrial sector with 58.5 percent of the receipts. Wholesale trade (9.7 percent) and finance and insurance (8.6 percent) also generated substantial receipts. Petroleum and coal products manufacturers produced the most receipts.

Like the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 55.4 percent of receipts for that country. Finance and insurance (16.0 percent) and wholesale trade (14.3 percent) were the other predominant industrial sectors. Transportation equipment manufacturers produced the most receipts.

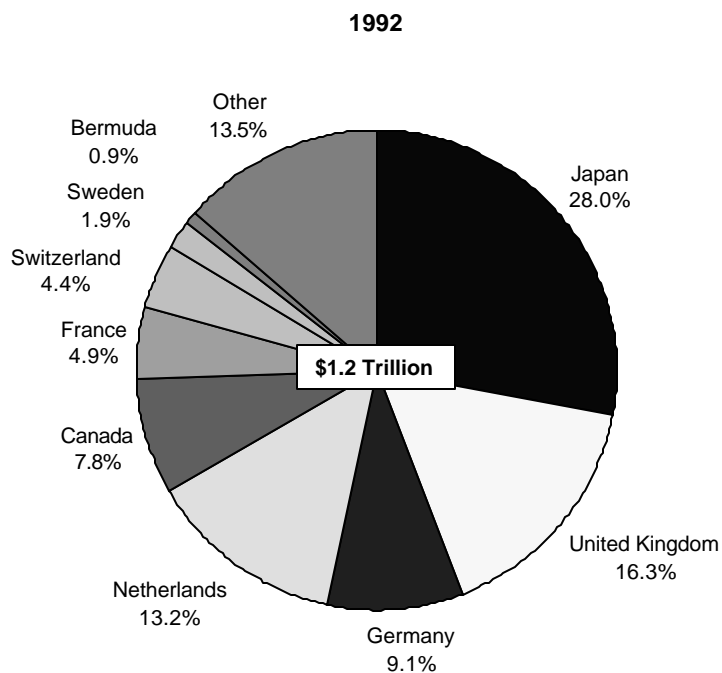
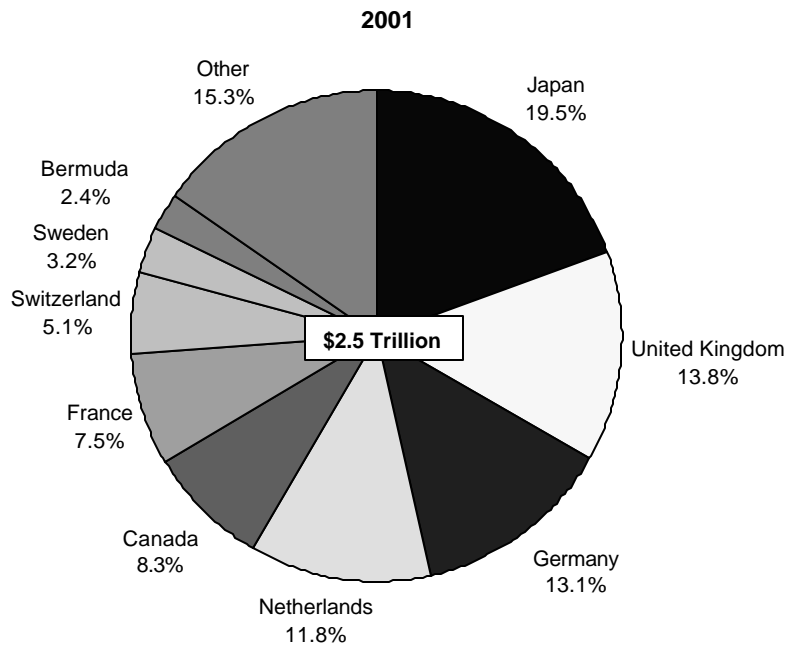
For the Netherlands, manufacturing was again the largest industrial sector, with 32.5 percent of total receipts, followed by finance and insurance (26.8 percent), retail trade (16.0 percent), wholesale trade (7.6 percent), and management of companies (6.5 percent). Insurance carriers produced the most receipts.

Canadian-controlled corporations were primarily concentrated in manufacturing, with 36.8 percent of

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Figure D

Foreign-Controlled Domestic Corporations: Total Receipts for Selected Countries of Foreign Owners, Tax Years 1992 and 2001



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receipts for that country. This was followed by finance and insurance (19.7 percent), wholesale trade (14.7 percent), and information (5.6 percent). Similar to the Netherlands, insurance carriers produced the most receipts.

France had three of the same leading industrial sectors as did Canada, with manufacturing producing 45.2 percent of receipts for that country. This was followed by finance and insurance (19.4 percent) and wholesale trade (15.9 percent). Once again, insurance carriers produced the most receipts.

In turn, Switzerland had the same three leading industrial sectors as did France, but with somewhat different shares of total receipts. Finance and insurance was the predominant sector, with 43.0 percent of receipts, followed by manufacturing with 39.6 percent and wholesale trade with only 7.6 percent. Corporations involved with securities, commodity contracts, and other financial investments produced the most receipts.

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$1.0 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in the Netherlands (also \$1.0 trillion), Germany (\$0.9 trillion), France (\$0.7 trillion), Switzerland (\$0.7 trillion), Japan (\$0.6 trillion), and Canada (\$0.5 trillion) also accounted for significant amounts of assets. While Japan had the largest receipts of any country, it was only sixth in the amount of assets it controlled. This reflects that the leading industry for Japanese-controlled corporations was wholesale trade, while the capital-intensive manufacturing industry was the predominant activity for corporations from most of the other countries. Most of the seven countries discussed above reported an increase in assets during the 2000 to 2001 period, with the assets of corporations controlled by persons resident in France showing the largest increase of 39.3 percent. On the other end of the spectrum, the assets of corporations controlled by persons resident in Canada actually decreased by 19.7 percent.

Although, for 2001, Japanese-controlled domestic corporations accounted for the largest part of receipts reported for all FCDC's, while corporations controlled by persons resident in the United Kingdom accounted for the largest part of FCDC assets, neither country was responsible for the largest number of returns filed for FCDC's. Canadian-controlled

domestic corporations filed the most returns, 10,225. These returns covered many different corporate activities, with manufacturing; real estate; professional, scientific, and technical services; and wholesale trade being the most common activities. Japanese-controlled domestic corporations were second with 5,916 returns; United Kingdom-controlled domestic corporations were third with 4,930; and German-controlled domestic corporations were fourth with 4,484. There were only 1,615 Netherlands-controlled domestic corporations. Yet the Netherlands accounted for the second largest amount of assets (nearly as large as those for the United Kingdom) and the fourth largest amount of receipts.

For 2001, Japanese-controlled domestic corporations reported the largest amount of U.S. tax liability (\$4.4 billion). United Kingdom-controlled corporations, with \$3.9 billion of tax liability, followed. The levels of receipts that tax liabilities resulted from were somewhat different between the Japanese-controlled corporations and United Kingdom-controlled corporations. For the Japanese-controlled corporations, tax liabilities were 0.9 percent of the \$484 billion of receipts. By comparison, tax liabilities were slightly higher at 1.1 percent of the \$342 billion of receipts for United Kingdom-controlled corporations. Many factors, including differences in industrial distributions and age distributions (discussed next), may have caused the resulting difference in these percentages.

Age Characteristics

Table 3 presents FCDC data by the age of the corporation. "New" corporations are those with years of incorporation of 1999 and after reported on their income tax returns [9]. "Old" corporations are those incorporated in or prior to 1998, or with unknown (i.e., unreported) dates of incorporation.

The year of incorporation may be somewhat unreliable as an indicator of the true age of a corporation. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year of incorporation of the parent company. Another example is a reorganization of an existing old corporation into a new corporation that results in it reporting a recent year of incorporation, even though it is an

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“old” business. An additional limitation is that the year of incorporation is difficult to verify during statistical processing because there are no other items to which it can be compared on a tax return form, and recourse to other sources is not always practical. Thus, it is subject to greater levels of taxpayer reporting and data entry errors. Despite these limitations, an analysis of the data by age of the corporation is meaningful.

Over three-fourths of the foreign-controlled domestic corporations were incorporated prior to 1999, i.e., considered to be “old” corporations. These corporations tended to be larger than the “new” corporations, accounting for 82.8 percent of FCDC assets and 88.7 percent of receipts. Further, they tended to be more profitable than newer corporations, reporting 92.7 percent of U.S. taxable income and 92.0 percent of U.S. tax liabilities of all FCDC’s.

The industrial activities of the two groups of corporations were similar in some respects and different in others. Wholesale trade accounted for the largest percentage of returns for both groups. This industrial sector made up 24.4 percent of all returns for “old” corporations and 29.5 percent of “new” corporations. Again, for both groups, real estate and rental and leasing accounted for the second largest percentage of returns--20.1 percent of returns for old corporations and 16.6 percent of returns for new corporations. However, there are differences between old and new corporations for the remaining industrial sectors. For instance, for old corporations, manufacturing was the third largest sector, with 12.0 percent of returns. This sector was followed by professional, scientific, and technical services (with 8.8 percent of returns) and retail trade (5.0 percent). By comparison, for new corporations, professional, scientific, and technical services played a more important role (with 11.7 percent of returns), followed by retail trade (also more important with 10.5 percent) and manufacturing (9.9 percent).

Old corporations were generally more profitable than new corporations. For 2001, old corporations reported \$15.9 billion of net profits on \$2.2 trillion of receipts, while new corporations reported \$7.6 billion of net losses on \$0.3 trillion of receipts. Thus, net profits or losses (i.e., net income less deficit) as a percentage of total receipts were 0.7 percent (positive) for old corporations versus 2.7 percent (nega-

tive) for new corporations. Similarly, old corporations reported larger amounts of tax liabilities than new corporations. Old corporations had \$20.0 billion of tax liabilities after credits, equaling 0.9 percent of their total receipts. By comparison, new corporations had \$1.7 billion of tax liabilities after credits, equaling 0.6 percent of their total receipts.

Receipts, Deductions, and Profits

A domestic corporation, whether controlled by a foreign person or not, could have business activities in foreign countries, as well as in the United States. The estimates shown in this article include business activities in the United States, as well as certain foreign activities reported on tax returns of domestic corporations. Whether from domestic or foreign sources, income includes receipts from sales and operations, as well as investment income. However, foreign-source income is reported differently, depending on whether it is earned through a branch or a foreign subsidiary of a domestic corporation. “Total receipts” shown in this article include the receipts of foreign branch operations of U.S. companies. Also

Income includes receipts from sales and operations, as well as investment income. It includes U.S. business activities and certain foreign activities.

included in these receipts are dividends remitted to U.S. corporations by their foreign subsidiaries. However, for the statistics, two items of constructive taxable income from related foreign corporations (i.e., includable income from Controlled Foreign Corporations and foreign dividend “gross-up”) are not

included in “total receipts,” nor are they included in the statistics for “total receipts less total deductions.” These two items are, however, reflected in the data for “net income (less deficit)” [10]. (See the Explanation of Selected Terms section.)

The receipts and deductions of foreign-controlled domestic corporations shown in this article do not include amounts generated by their foreign parent companies. However, FCDC’s could have had business transactions with their foreign parent companies (as well as with other related foreign persons),

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and FCDC receipts and deductions stemming from these transactions are included in the statistics [11].

An FCDC that transacts business with a related foreign (or domestic) person must determine “transfer prices” for those transactions. These transactions may affect either the income or the deductions of the FCDC, such as the sale and purchase of tangible goods, fees for services, interest payments on debts, leasing expenses, and royalties. How transfer prices are determined may affect the amount of profits (i.e., net income or deficit) and taxable income reported on the U.S. income tax return of an FCDC. Section 482 of the Internal Revenue Code, and the related regulations, provide guidance in determining transfer prices. In general, the objective is to use “arm’s length prices,” which means prices that would be used for transactions between independent enterprises and determined by market forces.

Over 86 percent of the \$2.5 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of “business receipts” (i.e., receipts from sales and operations). Taxable interest accounted for another 7 percent of total receipts. These same companies reported \$2.5 trillion of total deductions. Cost of goods sold was 61 percent of that total, while interest paid accounted for an additional 7 percent (see the Explanation of Selected Terms section). Complete income statement statistics of FCDC’s are shown in tables included in *Statistics of Income--2001, Corporation Income Tax Returns* [12].

It is noteworthy to look at the “gross profit” of FCDC’s. Gross profit is the difference between business receipts and cost of goods sold. The manufacturing and wholesale trade industrial sectors accounted for most of the reported amounts of business receipts and cost of goods sold, but manufacturers reported substantially higher gross profits than wholesalers. For each dollar of business receipts, manufacturers reported \$.73 of cost of goods sold. By comparison, wholesalers reported \$.82 of cost of goods sold for each dollar of business receipts. FCDC’s were similar to other domestic corporations in this respect. For all other domestic corporation returns (excluding Forms 1120-REIT, RIC, and S), cost of goods sold equaled \$.69 for each dollar of business receipts reported by manufacturers, and \$.82 by wholesalers.

Total receipts less total deductions for FCDC’s equaled \$4.3 billion for 2001. This is somewhat different from the \$8.3 billion of net income (less deficit) reported by these companies. Total receipts less total deductions include the income “actually” (as opposed to “constructively”) received by corporations and reported on tax returns. Unlike net income (less deficit), total receipts less total deductions include nontaxable interest on State and local government obligations and exclude the two items of constructive taxable income from related foreign corporations previously mentioned. For 2001, FCDC’s received \$1.0 billion of tax-exempt interest on State and local government obligations and reported \$5.0 billion of constructive taxable income.

The previous paragraph discussed the difference, for statistical purposes, between “total receipts less total deductions” and net income (less deficit). It is also important to make a distinction between (positive) net income and taxable income (i.e., “income subject to tax” shown in the statistics). Because certain statutory special deductions, including the “net operating loss” deduction, were available to most companies in computing their taxable incomes, the statistics for net income are generally larger than amounts shown for taxable income. For 2001, FCDC’s reported \$94.3 billion of net income and \$76.1 billion of taxable income. Additionally, taxable income for certain types of corporations is computed using special provisions of the Internal Revenue Code (see the Explanation of Selected Terms section).

Net income (less deficit) for foreign-controlled domestic corporations was \$8.3 billion for 2001, down significantly from \$66.3 billion for 2000. By comparison, net income (less deficit) reported on all corporation income tax returns also decreased significantly between 2000 and 2001, from \$927.5 billion to \$603.6 billion. Thus, while net profits of all corporations declined by 35 percent, net profits of FCDC’s decreased by 87 percent.

The \$8.3 billion of total FCDC net income (less deficit) were the result of 24,898 corporations reporting \$94.3 billion of (positive) net income and 35,720 companies reporting \$86.0 billion of deficits [13]. Thus, substantially less than one out of every two (41.1 percent) domestic corporations with foreign owners reported a (positive) net income for 2001. In comparison, 55.0 percent of all corporations filing

Foreign-Controlled Domestic Corporations, 2001

U.S. income tax returns for the same year reported a (positive) net income.

The percentage of companies reporting (positive) net income varied greatly among the different industrial groups. At the industrial sector level, the percentages ranged from a low of 1.5 percent for educational services to a high of 61.6 percent for other services. At the more specific major industry level, the range was even wider. Percentages ranged from a low of 1.0 percent for transit and ground passenger transportation to a high of 98.7 percent for general merchandise retail stores.

More than one of every two (58.9 percent) FCDC's reported a deficit for 2001. Collectively, these companies show \$86.0 billion in deficits, a considerable increase over the \$52.3 billion reported for the previous year. Deficits could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see "net operating loss deduction" in the Explanation of Selected Terms section). When a company "carried back" a deficit to a previous tax year, it could file either Form 1120X, *Amended U.S. Corporation Income Tax Return*, or Form 1139, *Corporation Application for Tentative Refund*. Data from these forms are not included in the statistics. Net operating losses "carried forward" to Tax Year 2001 from prior years are included in the statistics and further discussed in the next section.

Taxes

For 2001, foreign-controlled domestic corporations reported \$76.1 billion of "income subject to tax" (for purposes of the statistics, this is the base on which the income tax was computed), resulting in \$26.4 billion of income tax. The \$26.8 billion of total income tax before credits reported by FCDC's consisted of the income tax, the alternative minimum tax, and certain other taxes. The alternative minimum tax was \$0.2 billion, and the remaining taxes comprised a very small part of the total.

The difference between the \$94.3 billion of (positive) net income and \$76.1 billion of income subject to tax was, for the most part, the result of statutory special deductions [14]. These deductions were allowed for most corporations in computing their taxable incomes and include the deduction for "net operating losses" (NOL's) from prior years. For 2001,

the net operating loss deduction was \$13.8 billion and accounted for 72.1 percent of the \$19.1 billion of total statutory special deductions. FCDC's reduced their 2001 net incomes by 14.6 percent, using NOL's carried over from prior years. (NOL's carried back to Tax Year 2001 from 2002 and beyond are not included in the statistics shown in this article.)

Tax credits totaling \$5.0 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations to \$21.8 billion for 2001.

The largest credits claimed were \$3.7 billion of foreign tax credits, \$0.6 billion of general business credits, \$0.5 billion of prior-year minimum tax credits, and \$0.2 billion of nonconventional source fuel credits. Other credits included the U.S. possessions tax credit. The \$21.8 billion of total U.S. income tax after credits represent the tax liability as originally reported by taxpayers. However, it does not include any changes made by taxpayers through amended returns or by IRS as a result of examination or enforcement activities.

The percentage of FCDC's reporting tax liabilities (i.e., total income tax after credits) for 2001 was 27.9 percent, down from 31.7 percent for the previous year. Similarly, the amount of tax liability reported by FCDC's decreased to \$21.8 billion for 2001 from \$28.1 billion for 2000, a 22.4-percent decline.

The "Largest" Foreign-Controlled Domestic Corporations

The "largest" companies accounted for the majority of the key FCDC financial items. This article classifies the largest companies as those with at least \$250 million of total assets, or \$50 million of business receipts, or both. (Within the finance and insurance, and management of companies (holding companies) sectors, total receipts were used in place of business receipts for selecting the largest companies. Total receipts include both business receipts (i.e., gross receipts from sales and operations) and investment income.)

For 2001, 27.9 percent of FCDC's reported tax liabilities of \$21.8 billion. Both of these statistics declined from the prior year.

Foreign-Controlled Domestic Corporations, 2001

Both size of assets and size of receipts were used to select the largest companies in order to obtain maximum coverage of the various industrial groupings [15]. As previously discussed, certain industries have different characteristics from other industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their assets. By comparison, credit intermediation corporations generally report large amounts of assets compared to their receipts. If either assets or receipts were used exclusively to select the largest companies, then the largest companies in one of these industrial groups would have been undercovered in comparison to the other group.

Table 4 shows data for the largest FCDC's by industrial sectors. This table also contains data for "other large domestic corporations." These other large domestic corporations were not foreign-controlled or owned (i.e., they were either owned by domestic persons, or no separate foreign person owned 25 percent or more of the corporation stock). This definition of "other large domestic corporations" is used throughout this article, including the data shown in Figures E through G. (Thus, domestic corporations that had a foreign person who owned between 25 percent and 49 percent of the corporation stock are not included in either of the two groups shown in Figures E through G and Table 4.)

Data for domestic corporations that filed Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations) are excluded from the comparisons between large FCDC's and other large domestic corporations shown in Figures E through G and Table 4. (However, returns filed on these forms are included in the data of other figures and tables contained in this article, as appropriate.) While corporations filing these income tax returns report their incomes, they generally have little or no tax liabilities. Through separate special provisions of the Internal Revenue Code applicable to each of these types of corporations, the incomes of these corporations are generally taxed at the shareholder level. The Explanation of Selected Terms section discusses in greater detail the nature of real estate investment trusts (REIT's), regulated investment companies (RIC's), and S corporations [16].

Table 4 shows that there were 17,324 large domestic corporations for 2001. Of this total, foreign

persons controlled 3,321 corporations, or 19.2 percent. (This percentage is far larger than the 1.2 percent of all returns that FCDC's accounted for, regardless of size.) FCDC's accounted for 32.7 percent of large wholesalers and 27.9 percent of large manufacturers. However, just 6.1 percent of large retailers and 3.2 percent of large health care and social assistance corporations were FCDC's.

For 2001, the largest companies reported 95.3 percent of total assets, 93.2 percent of total receipts, 91.5 percent of taxable income, and 90.8 percent of total income tax after credits of all FCDC's. However, these 3,321 companies comprised just 5.5 percent of the number of income tax returns filed by FCDC's.

Table 4 shows that there were 14,003 large domestic corporations that did not have controlling foreign owners for 2001. These large companies also accounted for a small portion of the total number of income tax returns filed by domestic corporations without foreign owners, but did comprise a significant portion of the key financial items (total assets, total receipts, etc.) of this group of returns.

The largest companies generally report profits that are greater than those of the rest of the companies. For 2001, the largest FCDC's reported a combined profit of \$13.2 billion, while the smaller FCDC's reported a combined loss of \$4.9 billion. Later in this article, the profitability of the largest FCDC's is compared to that of the largest domestic corporations not foreign-controlled. This comparison includes industry characteristics of the corporations.

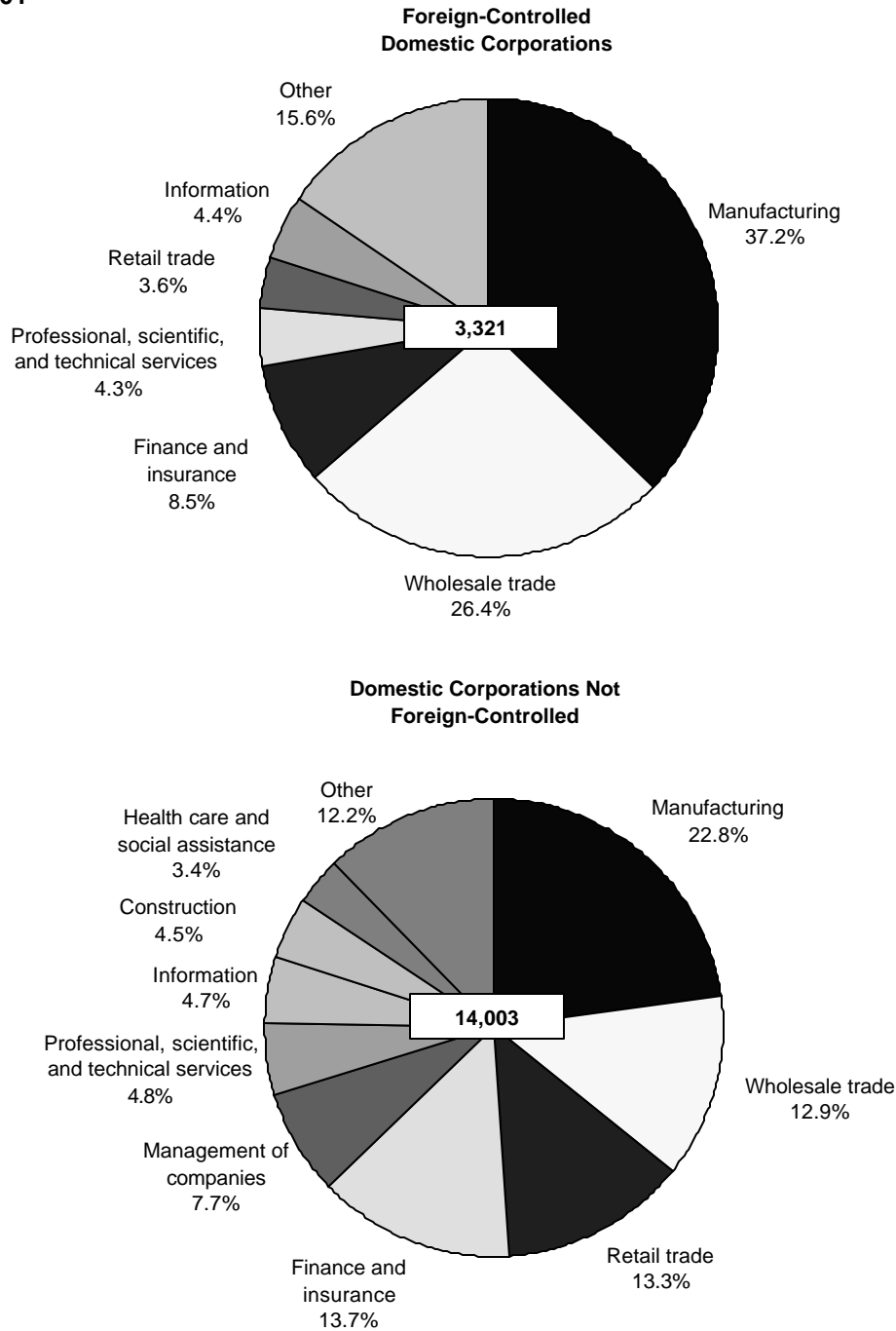
Industry Characteristics

The industrial makeup of the largest companies is somewhat different between domestic corporations that are foreign-controlled and those that are not. For 2001, as an example, 37.2 percent of the largest FCDC's were classified as manufacturers, while 22.8 percent of the largest domestic companies that were not foreign-controlled were classified in the same industrial sector. Similarly, wholesalers were more significant for the FCDC's (26.4 percent) than for the other large domestic corporations (12.9 percent). Conversely, 13.3 percent of the largest domestic companies that were not foreign-controlled were retailers, while only 3.6 percent of the largest FCDC's were similarly classified. See Figure E for other significant differences in the industrial makeup of these two groups of corporations.

Foreign-Controlled Domestic Corporations, 2001

Figure E

"Large" Domestic Corporations: Number of Returns, by Control Status and Selected Industries, Tax Year 2001



NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more. (Total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors.) Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations).

Foreign-Controlled Domestic Corporations, 2001

Table 4 presents industrial-level data for selected items and percentages for the largest domestic corporations, both foreign- and nonforeign-controlled. In most of the industrial sectors shown in Table 4, the percentage of returns reporting (positive) net income was smaller for the FCDC's than for the other domestic companies (ODC's). The differences between FCDC's and ODC's in these percentages were relatively large (i.e., over 10 percentage points different) for the following sectors: agriculture, forestry, fishing, and hunting; utilities; construction; wholesale and retail trade; finance and insurance; management of companies; administrative and support and waste management and remediation services; health care and social assistance; arts, entertainment, and recreation; and accommodation and food services (see column 43 of the table). There were smaller differences in the percentages, still favoring ODC's, in some of the other sectors: mining; manufacturing; transportation and warehousing; information; and professional, scientific, and technical services. Conversely, the percentages were higher for FCDC's than for ODC's, indicating that FCDC's had a larger portion of returns that reported profits than ODC's, in the following sectors: real estate and rental and leasing; and other services.

Another key ratio is net income (less deficit) to total receipts. Figure F shows this ratio for Tax Years 1998 through 2001 for four different industrial groups: manufacturing, wholesale trade, finance, and all others. As noted in the figure, finance includes insurance, real estate, and rental and leasing. For each of the years 1998 through 2001, net income (less deficit) was a smaller percentage of total receipts for FCDC's as compared to ODC's, for each of the three following groups: manufacturing, finance, and all others. Wholesalers showed a different pattern, in that for 2 of the 4 years FCDC's outperformed ODC's.

The finance and insurance industrial sector includes a diverse group of business activities and corporations. Among these are two types of corporations which are taxed under special provisions of the Internal Revenue Code (IRC): regulated investment companies (RIC's) and real estate investment trusts (REIT's). RIC's are typically mutual funds, while REIT's invest in real estate and mortgages. In general, companies electing to qualify under either of

these provisions must meet certain requirements, including those related to distributions of income to shareholders. Such income is then taxed at the shareholder level. Thus, the tax liability of RIC's and REIT's is typically low. RIC's and REIT's played a much larger role for ODC's than for FCDC's. Because of the special provisions of the IRC, RIC's and REIT's have been excluded from the data shown in Figure F (and Table 4, discussed below). Looking at the ratio of net income (less deficit) to total receipts for the finance and insurance sector, the profitability, of FCDC's was significantly less than for ODC's, 1.08 percent for FCDC's versus 3.85 percent for ODC's.

Table 4 (column 57) shows more detailed Tax Year 2001 information on the ratio of net income (less deficit) to total receipts. Once again, for 17 of the 19 industrial sectors shown in this table, ODC's had higher percentages than their foreign-controlled counterparts. The differences were significant in most cases. For example, in manufacturing, the percentage for FCDC's was 0.85 percent, while, for ODC's, the percentage was 3.50 percent. On the other side, FCDC's outperformed ODC's in two sectors: transportation and warehousing, and real estate and rental and leasing.

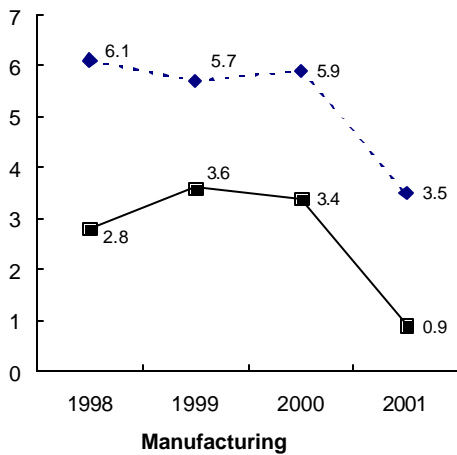
Profits are one of the key factors that affect the amount of retained earnings of corporations. Columns 12-14 of Table 4 show total, appropriated, and unappropriated retained earnings, respectively, of the corporations. Appropriated retained earnings were earnings set aside for specific purposes, such as reserves for plant expansion or bond retirements, and not available for distribution to stockholders. The amounts were reported in the end-of-year balance sheets of the corporations' books of account. They represent earnings and profits of the corporations retained from normal and discontinued operations of previous years, as well as "extraordinary" gains and losses, and prior-period adjustments. The amounts are also after reductions for dividends and distributions made to stockholders. (For a more extensive discussion of retained earnings, see *Statistics of Income--2001, Corporation Income Tax Returns*.) For 2001, the largest FCDC's reported a negative \$29.9 billion of total retained earnings, while other large domestic corporations reported \$2.3 trillion of positive retained earnings. It should be noted that

Foreign-Controlled Domestic Corporations, 2001

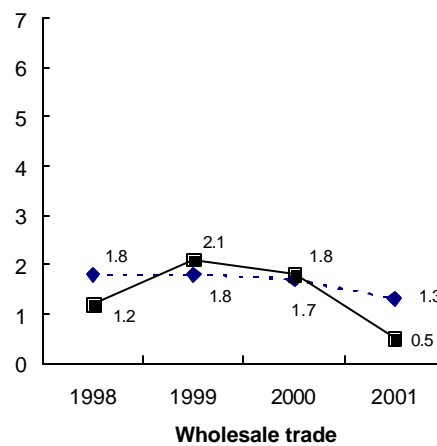
Figure F

"Large" Domestic Corporations: Percentage of Net Income (Less Deficit) Divided by Total Receipts, by Control Status and Industry, Tax Years 1998-2001

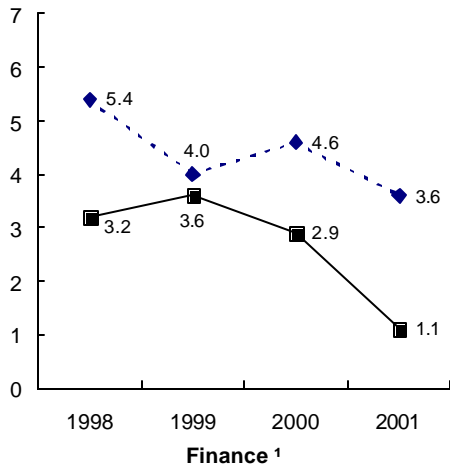
Percentage



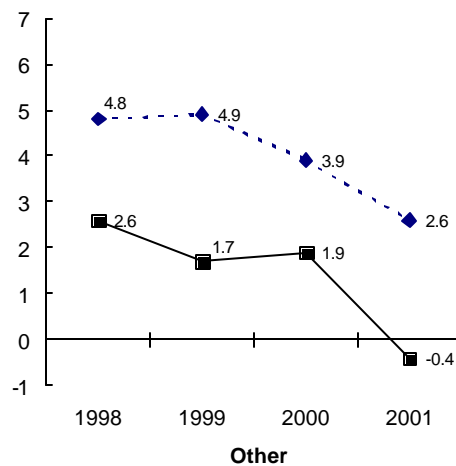
Percentage



Percentage



Percentage



◆ Domestic corporations not foreign-controlled
■ Foreign-controlled domestic corporations

¹ Includes returns classified in the "finance and insurance" and "real estate and rental and leasing" industrial sectors of the North American Industry Classification System.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors). Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations).

Foreign-Controlled Domestic Corporations, 2001

retained earnings are a component of net worth and thus affect the ratio of net income (less deficit) to net worth, which is shown in column 56 of Table 4.

The ratio of taxable income (i.e., "income subject to tax") to total receipts is shown in column 61 of Table 4. FCDC's generally had lower ratios than those of other domestic corporations, 3.0 percent for FCDC's versus 4.5 percent for ODC's for all industries. The ratios varied among the different industrial sectors. ODC's had higher ratios than FCDC's in 15 of the 19 sectors. The differences in the percentages within a given sector varied from being relatively similar (e.g., in wholesale trade, 1.5 percent for FCDC's versus 1.7 percent for ODC's) to substantially different (e.g., in information, 1.9 percent for FCDC's versus 5.7 percent for ODC's). FCDC's had higher percentages in only four sectors: mining (6.6 percent versus 5.0 percent); real estate and rental and leasing (2.7 percent versus 2.5 percent); arts, entertainment, and recreation (5.2 percent versus 3.1 percent); and other services (4.5 percent versus 3.5 percent).

Table 4 also includes the ratio of total U.S. income tax after credits to total receipts (column 64). The total income tax after credits reported by both FCDC's (\$19.8 billion) and ODC's (\$128.2 billion) represents the tax liability of these companies as reported on their originally-filed U.S. income tax returns (see column 42). However, it does not take into account either of the following changes: (1) amended returns filed by corporations, or (2) adjustments made by IRS as a result of examination or enforcement activities. Among other reasons, corporations could file amended returns to use carryback provisions for net operating losses and unused foreign tax and general business credits.

In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total receipts reported by corporations. However, this is not considered to be a major limitation in using the percentage because the regular income tax and the alternative minimum tax represented about 99 percent or more of total income tax for both FCDC's and ODC's [17].

Before looking at total income tax after credits for different industries, it is useful to examine the

amount of tax liability as a percentage of total receipts for all large domestic corporations. Figure G presents such data classified by 11 size categories of this percentage. For 2001, large FCDC's reported \$19.8 billion of total income tax after credits, 0.9 percent of their total receipts. Column 3 of Figure G shows that over one-half (53.9 percent) of these companies had no tax liability, that nearly seven out of every ten companies had tax liabilities of less than 0.5 percent of their receipts, that nearly eight out of ten companies had tax liabilities of less than 1.0 percent of their receipts, and that 85.5 percent had tax liabilities of less than 2 percent of their receipts. Only 65 of the 3,321 companies (2.0 percent) reported tax liabilities of 10 percent or more of their receipts. By comparison, large domestic corporations not foreign-controlled reported \$128.2 billion of total income tax after credits, 1.2 percent of their total receipts. The cumulative percentages for these domestic corporations shown in column 3 of Figure G are lower than those for FCDC's through size categories including tax liabilities of less than 7.5 percent of receipts. For example, 53.9 percent of the FCDC's and 37.5 percent of the ODC's had zero tax liabilities. There were 249 domestic corporations not foreign-controlled that reported tax liabilities of 10 percent or more of their receipts, 1.8 percent of the 14,003 corporations.

For 14 of the 19 industrial sectors shown in Table 4, ODC's have a higher percentage of total income tax after credits divided by total receipts than FCDC's. In several of the sectors, the percentages were similar for both ODC's and FCDC's, including: manufacturing, wholesale trade, and finance and insurance. Other sectors show greater differences in favor of ODC's, including: educational services (2.57 percent versus 0.44 percent), construction (1.51 percent versus 0.68 percent), and information (1.41 percent versus 0.66 percent). On the other side, FCDC percentages were substantially higher than for ODC's in arts, entertainment, and recreation (1.76 percent versus 0.91 percent).

ODC's claimed relatively more credits than FCDC's. Thus, tax credits were factors that caused the percentages of total income tax after credits divided by total receipts for FCDC's to resemble more those of ODC's [18]. For 2001, large FCDC's claimed \$4.9 billion of credits, equaling 19.8 percent of their income tax liabilities before credits. Other

Foreign-Controlled Domestic Corporations, 2001

Figure G

"Large" Domestic Corporations: Selected Items, by Control Status and Percentage of Total Income Tax After Credits Divided by Total Receipts, Tax Year 2001

[Money amounts are in millions of dollars]

| Control status and percentage of total income tax after credits divided by total receipts | Returns | | | Total assets | Total receipts | Net income (less deficit) | Income subject to tax | Total income tax after credits |
|---|---------------|---------------------|-----------------------|-------------------|-------------------|---------------------------|-----------------------|--------------------------------|
| | Number | Percentage of total | Cumulative percentage | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| "LARGE" FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | | |
| Total..... | 3,321 | 100.0 | N/A | 6,194,306 | 2,313,403 | 13,173 | 69,598 | 19,773 |
| Percentage of total income tax after credits divided by total receipts: | | | | | | | | |
| Zero ¹ | 1,789 | 53.9 | 53.9 | 2,741,361 | 996,006 | -57,792 | 55 | -- |
| Greater than zero and under 0.5 percent..... | 513 | 15.4 | 69.3 | 1,338,739 | 464,810 | 1,732 | 5,079 | 858 |
| 0.5 percent under 1.0 percent..... | 281 | 8.5 | 77.8 | 393,061 | 265,815 | 8,112 | 6,893 | 2,013 |
| 1.0 percent under 1.5 percent..... | 161 | 4.8 | 82.6 | 403,200 | 244,218 | 14,932 | 14,144 | 3,315 |
| 1.5 percent under 2.0 percent..... | 97 | 2.9 | 85.5 | 228,786 | 67,051 | 4,944 | 4,008 | 1,133 |
| 2.0 percent under 3.0 percent..... | 142 | 4.3 | 89.8 | 304,830 | 86,704 | 8,002 | 7,074 | 2,151 |
| 3.0 percent under 4.0 percent..... | 115 | 3.5 | 93.3 | 339,393 | 105,999 | 13,686 | 13,218 | 3,573 |
| 4.0 percent under 5.0 percent..... | 52 | 1.6 | 94.9 | 78,473 | 19,022 | 2,752 | 2,603 | 859 |
| 5.0 percent under 7.5 percent..... | 69 | 2.1 | 96.9 | 213,054 | 42,680 | 7,980 | 7,837 | 2,700 |
| 7.5 percent under 10.0 percent..... | 37 | 1.1 | 98.0 | 47,859 | 5,472 | 1,486 | 1,410 | 482 |
| 10.0 percent or more..... | 65 | 2.0 | 100.0 | 105,550 | 15,626 | 7,339 | 7,277 | 2,689 |
| "LARGE" DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | | |
| Total..... | 14,003 | 100.0 | N/A | 30,754,709 | 11,143,689 | 327,443 | 501,075 | 128,225 |
| Percentage of total income tax after credits divided by total receipts: | | | | | | | | |
| Zero ¹ | 5,258 | 37.5 | 37.5 | 5,211,866 | 2,632,855 | -181,459 | 630 | 1 |
| Greater than zero and under 0.5 percent..... | 3,038 | 21.7 | 59.2 | 6,306,678 | 3,108,263 | 44,216 | 52,762 | 5,141 |
| 0.5 percent under 1.0 percent..... | 1,353 | 9.7 | 68.9 | 3,074,154 | 1,375,351 | 45,328 | 41,701 | 9,981 |
| 1.0 percent under 1.5 percent..... | 802 | 5.7 | 74.6 | 2,148,134 | 1,070,059 | 67,003 | 63,038 | 13,095 |
| 1.5 percent under 2.0 percent..... | 554 | 4.0 | 78.6 | 3,159,835 | 839,506 | 54,778 | 52,900 | 14,782 |
| 2.0 percent under 3.0 percent..... | 743 | 5.3 | 83.9 | 4,729,510 | 967,919 | 90,701 | 87,581 | 23,659 |
| 3.0 percent under 4.0 percent..... | 514 | 3.7 | 87.6 | 1,169,112 | 399,827 | 51,908 | 50,298 | 13,531 |
| 4.0 percent under 5.0 percent..... | 392 | 2.8 | 90.4 | 2,190,550 | 307,772 | 43,125 | 42,514 | 13,371 |
| 5.0 percent under 7.5 percent..... | 815 | 5.8 | 96.2 | 1,728,351 | 276,494 | 51,618 | 50,573 | 16,208 |
| 7.5 percent under 10.0 percent..... | 285 | 2.0 | 98.2 | 655,510 | 99,655 | 28,795 | 28,095 | 8,467 |
| 10.0 percent or more..... | 249 | 1.8 | 100.0 | 381,009 | 65,988 | 31,430 | 30,983 | 9,989 |

N/A - Not applicable.

¹ Includes returns with zero total receipts. These returns may have amounts of total income tax after credits.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors). Data excludes Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Detail may not add to totals because of rounding.

large domestic corporations claimed \$48.4 billion of credits during the same period, equaling 27.4 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$3.6 billion by large FCDC's and \$37.1 billion by large ODC's.

The differences in financial characteristics of different industries once again become evident when reviewing the percentages shown in Table 4. For

instance, when the percentage of net income (less deficit) divided by total receipts (column 57) is used, finance and insurance companies have a substantially higher percentage (1.1 percent for the largest FCDC's) than wholesalers (0.5 percent). However, when total assets are used as the denominator in place of total receipts (column 55), the difference is reversed (the largest FCDC's in finance and insurance have 0.2 percent, and those in wholesale trade

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have 0.9 percent). Because the distribution of industrial activities based on principal businesses is not the same for the largest FCDC's as for ODC's, this again illustrates the importance of comparing FCDC's to ODC's on an industrial basis.

Age Characteristics

This study classifies companies into one of two age categories. "New" corporations are those with years of incorporation of 1999 and after reported on their income tax returns. "Old" corporations are those incorporated prior to 1999, or with unknown (i.e., unreported) dates of incorporation.

Looking at the age characteristics of both the largest FCDC's and other large domestic corporations provides some additional information on the attributes of FCDC's. For 2001, most of the largest corporations were old corporations. For FCDC's, 2,867 of the 3,321 largest corporations were old corporations (86.3 percent). The other large domestic corporations were similar to FCDC's in this respect, with 92.1 percent classified as old corporations (i.e., 12,893 out of 14,003).

For 2001, there were 454 new large FCDC's. The largest part of these new corporations was manufacturers (161), followed by wholesalers (74) and information companies (51). Additionally, there were 37 new corporations in finance and insurance, 28 in professional, scientific, and technical services, and 20 in management of companies.

In general, new ODC's reported lower profits than their older counterparts. Startup costs of new businesses may be one reason for the lower profits. These new corporations reported amounts of net income (less deficit) equal to 0.7 percent of their total receipts for 2001, while the percentage was 3.0 for older corporations. This type of difference also occurred for FCDC's. While new FCDC's reported amounts of net income (less deficit) equal to a negative 1.7 percent of their total receipts, the percentage was substantially higher at a positive 0.9 percent for older FCDC's.

Thus, in addition to comparing FCDC's to other domestic corporations on the bases of industry and size, a thorough analysis would include comparisons based on the same age groupings. While this article has briefly looked at the age characteristics of FCDC's and ODC's, a more detailed analysis is left for further study.

Country Characteristics

The country information discussed in this section is based on the location of the owner's country of residence, incorporation, organization, creation, or administration, as reported on the U.S. income tax returns of the foreign-controlled domestic corporations. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.)

The owners of nearly 71 percent of the 3,321 large FCDC's resided in just seven countries: Japan (710 FCDC's), Canada (365), the United Kingdom (344), Germany (331), the Netherlands (243), France (211), and Switzerland (151). Japanese persons alone controlled 21 percent of these large domestic corporations.

The seven countries noted above accounted for over 83 percent of the \$6.2 trillion of assets for all large FCDC's. Domestic corporations controlled by persons from the United Kingdom reported the largest assets (\$1.0 trillion), followed by the Netherlands (\$1.0 trillion), Germany (\$0.9 trillion), Switzerland (\$0.6 trillion), France (\$0.6 trillion), Japan (\$0.5 trillion), and Canada (\$0.5 trillion).

The same seven countries accounted for over 80 percent of the \$2.3 trillion of receipts for all large FCDC's. Domestic corporations controlled by persons from Japan reported the largest receipts (\$0.5 trillion), followed by the United Kingdom (\$0.3 trillion), Germany (\$0.3 trillion), the Netherlands (\$0.3 trillion), Canada (\$0.2 trillion), France (\$0.2 trillion), and Switzerland (\$0.1 trillion).

Summary

Direct foreign investment and activity in the United States through FCDC's showed mixed growth for 2001. FCDC's reported \$2.5 trillion of total receipts for that year, a decrease of \$129.2 billion from the 2000 level. While total receipts reported on all U.S. corporation income tax returns also decreased by 1.6 percent from the previous year, receipts of domestic corporations controlled by foreign persons decreased more significantly by 4.9 percent. As a result, the share of total corporate receipts accounted for by FCDC's dropped from 12.7 percent to 12.2 percent.

However, FCDC assets continued to rise for 2001, and at a faster pace than for all corporations. FCDC assets reached \$6.5 trillion for 2001, a 7.0-percent increase over the previous year. In compari-

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son, all corporations reported a total of \$49.2 trillion of assets for 2001, a 4.5-percent increase over the previous year. FCDC's accounted for 13.2 percent of total corporate assets for 2001, up from 12.9 percent for the previous year.

Two industrial sectors, manufacturing and wholesale trade, generated nearly 65 percent of total receipts of all FCDC's. Manufacturers produced \$1.1 trillion of receipts, while wholesalers accounted for an additional \$0.5 trillion. From a country perspective, domestic corporations controlled by persons in Japan reported total receipts of \$0.5 trillion, 19.5 percent of the FCDC total. In addition, the United Kingdom, Germany, the Netherlands, Canada, and France accounted for 13.8 percent, 13.1 percent, 11.8 percent, 8.3 percent, and 7.5 percent of the total, respectively.

Clearly, corporate profits were meager for 2001 by historical standards. The collective net income (less deficit) reported by foreign-controlled domestic corporations dropped significantly to \$8.3 billion, an 87-percent decrease from \$66.3 billion for 2000. In comparison, all corporate profits also dropped substantially to \$603.6 billion, a 35-percent decrease from \$927.5 billion for the previous year.

The U.S. tax liability of FCDC's (i.e., total income tax after credits) moved in the same direction as profits, decreasing from \$28.1 billion for 2000 to \$21.8 billion for 2001, or by 22.4 percent. To place this in perspective, all corporations reported U.S. tax liabilities for 2001 that were 18.3 percent less than for the previous year.

Of the 60,618 foreign-controlled domestic corporations, the 3,321 "largest" companies accounted for most of the total amounts of key financial items (e.g., 95.3 percent of total assets, 93.2 percent of total receipts, 91.5 percent of taxable income, and 90.8 percent of total income tax after credits). In comparing these large companies to other large domestic companies on the basis of industry, the ratio related to profitability, i.e., net income (less deficit) compared to total receipts, was smaller for FCDC's in most cases. While this article has been able to compare the profits of FCDC's to other domestic corporations on the same bases of size and industry, additional research is needed to explain the remaining differences in the profitability of the two groups of companies with different owners [19].

When calculating the percentage of total income tax after credits to total receipts, for 2001, large FCDC's generally had smaller percentages than of other large domestic corporations in the same industrial group. This calculation takes into account only the U.S. tax liabilities of the corporations. Additional data would be required to examine the worldwide tax liabilities of the corporations, which are beyond the scope of this article.

Explanation of Selected Terms

The following are brief explanations of some of the terms used in this article. For more extensive definitions, see *Statistics of Income--2001, Corporation Income Tax Returns*.

Alternative Minimum Tax.--This tax was designed to ensure that a taxpayer with substantial economic income would not avoid significant tax liability through a legitimate use of exclusions, deductions, and credits. It is included in the amounts reported for both total income tax before (and after) credits.

Business Receipts.--These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of "cost of goods sold" or as "taxes paid"); others reported their receipts after adjustment for these taxes. Business receipts include rents reported as the principal business income by real estate operators and certain manufacturing, public utility, trade, and service corporations. Business receipts include such banking items as fees, commissions, trust department earnings, and service charges. Interest, the principal operating income of banking and savings institutions, was excluded from business receipts; rather, it was included in the separate statistics for "interest received." Also, premium income of most insurance companies was included in business receipts.

Constructive Ownership Rules.--The constructive ownership rules of Internal Revenue Code section 318 apply in determining if a U.S. corporation is foreign-owned. However, if a corporation is owned by two or more "unrelated" foreign persons, neither of which owned 50 percent or more of the corporation, then that corporation was excluded from the FCDC statistics even though, together, these persons

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may have met the 50-percent-or-more ownership criterion. See also *Foreign Person*, defined below.

Constructive Taxable Income from Related Foreign Corporations.--This item represented the sum of includable income from Controlled Foreign Corporations and foreign dividend gross-up. Includable income is deemed distributions and represents the income of foreign corporations that is taxable to the U.S. parent corporation, regardless of whether or not it is actually received. Foreign dividend gross-up is an amount of income, taxable to the U.S. parent, that equals the foreign tax deemed paid based on both foreign dividends received and includable income from foreign corporations.

Cost of Goods Sold.--This item generally consisted of the direct costs incurred by corporations in producing goods or providing services. Included were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and certain overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. For statistical processing purposes, however, certain items (such as advertising, amortization, bad debts, compensation of officers, depletion, depreciation, interest paid, sales and excise taxes, and contributions to charitable organizations, employee benefit programs, and pension plans) reported by taxpayers in cost of goods sold schedules were transferred to their respective and separate deduction categories.

Current and Noncurrent Assets.--In this article, current assets include cash, notes and accounts receivable (less the allowance for bad debts), inventories, investments in Government obligations, tax-exempt securities, and other current assets, such as short-term prepaid expenses. Noncurrent assets include loans to stockholders, mortgage and real estate loans, other investments, depreciable assets (less accumulated depreciation), depletable assets (less accumulated depletion), land, intangible assets (less accumulated amortization), and other assets, including those not identified on the tax return as either current or long-term.

Current and Noncurrent Liabilities.--In this article, current liabilities include accounts payable; mortgages, notes, and bonds payable in less than 1 year; and other current liabilities, such as accrued expenses. Noncurrent liabilities include loans from stockholders; mortgages, notes, and bonds payable in

1 year or more; and other liabilities, including those not identified on the tax return as either current or long-term.

Foreign Person.--A foreign person (or entity) includes: (1) a foreign citizen or nonresident alien, (2) an individual who is a citizen of a U.S. possession (but who is not a U.S. citizen or resident), (3) a foreign corporation, (4) a foreign partnership, (5) a foreign estate or trust within the meaning of Internal Revenue Code (IRC) section 7701(a)(31), and (5) a foreign government (or one of its agencies or instrumentalities) to the extent that it is engaged in the conduct of a commercial activity as described in IRC section 892.

Foreign Tax Credit.--Although the United States taxes the worldwide income of U.S. persons (including corporations), foreign source income is often taxed as well by the country where the income is earned. The foreign tax credit provisions were enacted to mitigate the potential impact of the double taxation of foreign-source income. U.S. persons are allowed a credit against U.S. income tax for income taxes paid (or accrued) to foreign countries or U.S. possessions, subject to a limitation that prevented corporations from using foreign tax credits to reduce U.S. tax liability on U.S.-sourced income. A corporation that claimed the foreign tax credit could not also claim a business deduction for the same foreign taxes paid. The foreign tax credit was not allowed for taxes paid to certain foreign countries whose governments were not recognized by the United States, with which the United States severed or did not conduct diplomatic relations, or which provided support for international terrorism.

Income Subject to Tax.--For most corporations, income subject to tax, i.e., taxable income, was defined by Internal Revenue Code section 63 and consisted of (positive) net income minus certain statutory special deductions. There were special provisions in the Code for determining the taxable income of S corporations, life and nonlife insurance companies, regulated investment companies, and real estate investment trusts. On Form 1120, this item was reported on page 1, line 30.

Net Income (or Deficit).--This is the difference between taxable receipts and the ordinary and necessary business deductions allowed by the Internal Revenue Code. In this article, for a group of returns,

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this item may be referred to as either “profits” (i.e., net income exceeds deficits) or “losses” (deficits exceed net income). It reflects not only actual receipts but “constructive” receipts as well (i.e., includable income from Controlled Foreign Corporations and the foreign dividend “gross-up”). Tax-exempt interest on State and local government obligations is excluded from this item but is included in “total receipts.” The statistics for (positive) net income are generally larger than amounts shown for (U.S.) “income subject to tax” (i.e., “taxable income,” the base on which the income tax was computed) because the latter is reduced by the amount of statutory special deductions, including the net operating loss deduction. On Form 1120, “net income (or deficit)” was reported on page 1, line 28.

Net Operating Loss Deduction (NOLD).--For tax years beginning after August 5, 1997, a statutory “net operating loss” (NOL) for a given tax year could be carried back, in general, 2 years to reduce the taxable income of those years, and any amount of the NOL not offset against income during that time could be carried forward to offset income for a period not exceeding 20 years. (For tax years beginning before August 6, 1997, NOL’s could be carried back 3 years, but forward for only 15 years.) The amount of the deduction included in the statistics, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (2001) tax year. Losses incurred after Tax Year 2001 and carried back to that year at a later date were not reported on the tax returns used for this article. Net operating losses on which the 2001 deduction was based include: (1) the excess of ordinary and necessary business expenses over income for previous loss years, and (2) statutory special deductions claimed for a loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

Net Worth.--This item represented the stockholders’ equity in the corporation, i.e., total assets less the claims of creditors. It is the net result of adding capital stock, paid-in or capital surplus, appropriated retained earnings, unappropriated retained earnings, and adjustments to shareholders’ equity, and then subtracting the cost of treasury stock. Adjustments to shareholders’ equity could be either positive or negative and included unrealized gains and

losses on securities held “available for sale.” Treasury stock is common or preferred stock originally issued by the corporation which has been reacquired and held at the end of the accounting period by the issuing corporation.

Number of Returns.--The data contained in this article are based on the number of returns filed for Tax Year 2001. For simplicity, the number of returns is sometimes referred to in this article as the number of corporations. However, the actual number of corporations may be larger than the number of returns because most domestic corporations could elect to file consolidated income tax returns. These returns were filed by common parent corporations and contained combined financial data of two or more affiliated domestic corporations meeting certain stock ownership requirements. Each consolidated return was treated for statistical purposes as a single unit. The number of returns shown in this article represent returns of “active” corporations, i.e., those which reported any income or deduction items. While any corporation in existence during any portion of the taxable year was required to file an income tax return (even though it may have been inactive, not having any income or deductions), the great majority of returns filed with the Internal Revenue Service were for active corporations. Part-year returns, those filed for accounting periods of less than 12 months, were included in the number of returns and other data shown in this article. Continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations filed such returns. To avoid double counting, data from the balance sheets of part-year returns were not included in the statistics, except for those from initial returns of newly incorporated businesses.

Real Estate Investment Trusts.--Domestic corporations, trusts, and associations that meet certain ownership, purpose, income, and diversification requirements may elect to be taxed as a real estate investment trust (REIT). Foreign-controlled domestic corporations can be REIT’s. REIT’s generally invest in real estate and mortgages. A beneficial ownership of the trust is established through transferable shares or transferable certificates of beneficial interest. Among the income requirements, at least 95 percent of the total gross income of a REIT must come from dividends; interest; rents from real property; gains

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from the sale of stock, securities, and real property; abatements and refunds of taxes on real property; income and gains from foreclosure property; amounts received or accrued for entering into agreements to make loans secured by mortgages or to purchase or lease real property; etc. Additionally, at least 75 percent of total gross income must be derived from rents from real property; interest on mortgages on real property; gains from sales of real property and mortgages; dividends and gains from the sale of transferable shares in other REIT's; abatements and refunds of taxes on real property; income and gains from foreclosure property; amounts received or accrued for entering into agreements concerning real property; etc. The tax liability of REIT's is generally very low. This is because, through a statutory special deduction for dividends paid, REIT's are not taxed on amounts distributed to shareholders. In general, REIT's must distribute to their shareholders at least 90 percent of their taxable incomes; for tax years beginning before 2001, the requirement was 95 percent. Such distributions are taxed to the shareholders (i.e., beneficiaries).

Regulated Investment Companies.--A regulated investment company (RIC) is a domestic corporation registered with the Securities and Exchange Commission as a management company, business development company, unit investment trust, common trust fund, or a similar fund. Typically, it is a mutual fund. Foreign-controlled domestic corporations can be RIC's. A RIC must meet certain Internal Revenue Code requirements, including deriving at least 90 percent of its gross income from dividends, interest, payments related to securities loans, and gains from the sale of stock or securities, foreign currencies, or other income related to its business of investing in such stock, securities, or currencies. The tax liability of RIC's is generally very low. This is because, through a statutory special deduction for dividends paid, RIC's are not taxed on amounts distributed to shareholders. In general, RIC's must distribute to their shareholders at least 90 percent of their taxable incomes. Such distributions are taxed at the shareholder level.

S Corporations.--An S corporation is a corporation that has elected S corporation status and whose shareholders have agreed to that election. The number of shareholders of an S corporation is limited.

Shareholders must be U.S. citizens or residents. Additionally, shareholders must be individuals, estates, or trusts. Other corporations, for instance, cannot be shareholders of S corporations. An S corporation must be a domestic corporation, with only one class of stock, and not a member of an affiliated group eligible for inclusion in a consolidated return. Foreign-controlled domestic corporations cannot elect to be treated as S corporations. An S corporation is mostly an income-reporting, but not taxpaying, entity. There is, in general, no corporate-level tax; instead, income is taxed to the shareholders immediately, whether or not actually distributed. Each shareholder's share of net income from the corporation's ordinary trade or business activities, plus income and expenses from the corporation's passive activities and portfolio investments, is passed through pro-rata on a per-share, daily basis.

Statutory Special Deductions.--This item was the sum of: (1) deductions for net operating losses of prior years, (2) intercorporate dividends received deductions, (3) deductions for dividends paid on certain preferred stock of public utilities, (4) deductions for dividends paid by regulated investment companies and real estate investment trusts, (5) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts, and (6) Code section 806(a) small life insurance company deductions. Since these deductions were allowed by law in addition to ordinary and necessary business deductions, they are shown in the statistics as deductions from net income. In general, (positive) net income less statutory special deductions equals income subject to tax. However, there are exceptions to this generality for S corporations, insurance companies, RIC's, and REIT's.

Total Assets.--This item represents those assets reported in the end-of-year balance sheets of the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the allowance for bad debts.

Total Income Tax Before and After Credits.--For 2001, total income tax of FCDC's was primarily comprised of income tax imposed on corporate income subject to tax (98.4 percent of total tax). The alternative minimum tax accounted for 0.7 percent of the total. A small number of corporation income tax

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returns without net income reported amounts of income tax. The income tax, in these cases, resulted from special provisions of the Internal Revenue Code applicable to life insurance operations. These provisions applied to FCDC's with life insurance operations. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture tax on investment credits. Thus, a small number of corporations without net income and income tax may have reported such taxes on their income tax returns. These taxes were included in the statistics for total income tax. Also included in total income tax were personal holding company taxes and taxes on undistributed net capital gains of regulated investment companies. For 2001, the credits used to reduce the total income tax of FCDC's primarily included the foreign tax credit (73.1 percent of the \$5.0 billion of total credits), the general business credit (11.5 percent), the prior-year minimum tax credit (9.4 percent), the nonconventional source fuel credit (4.9 percent), and the U.S. possessions tax credit (1.0 percent). The statistics shown for this item may differ somewhat from the actual income tax collected and the final income tax liability of corporations for Tax Year 2001. Adjustments could be made to income tax returns after they were filed, which could affect the final tax liability. Such adjustments are not reflected in the statistics. Adjustments could result from tax examination and enforcement activities by IRS, or the use of carryback provisions for net operating losses and unused foreign tax and general business credits by taxpayers.

Total Receipts.--This item includes all income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and local government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries.

However, total receipts exclude certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Long-term capital gains of regulated investment companies, as well as both short-term and long-term capital gains of S corporations, are also excluded.

Total Receipts Less Total Deductions.--This item differs from the "net income (less deficit)" shown in the statistics in that it includes nontaxable interest received on State and local government obligations, and excludes constructive taxable income from related foreign corporations.

Data Sources and Limitations

Time Period Covered

Data for Tax Year 2001 are based on returns with accounting periods that ended between July 2001 and June 2002. The sampling frame for the 2001 statistics consisted, in general, of tax returns with these accounting periods that also posted to the IRS Business Master File between July 2001 and June 2003. Corporation returns were usually required to be filed within 2 1/2 months after the close of the accounting period. However, most corporations could receive filing extensions of 6 months. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include income received or expenses incurred during a 23-month span. For Tax Year 2001, that span was from August 2000 through June 2002. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2001. Of the 60,618 FCDC returns filed for Tax Year 2001, some 39,770 had accounting periods that ended in December 2001, about 65.6 percent of the total. These returns accounted for 74.0 percent of receipts and 73.9 percent of deductions reported by all FCDC's, as well as 81.0 percent of FCDC assets.

Sample

This article presents statistical estimates based on a stratified sample of more than 10,700 unaudited tax returns selected from over 60,600 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2001. The statistics for FCDC's are based on samples of corporation income tax returns filed primarily on Form 1120 (*U.S. Corporation Income Tax Return*). In addition, the statistics for all FCDC's include data from the small numbers

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of other domestic corporation income tax returns filed on Forms 1120L (*U.S. Life Insurance Company Income Tax Return*), 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*). For Tax Year 2001, FCDC's filed only 61 Forms 1120L, 98 Forms 1120-RIC, 50 Forms 1120-REIT, and 35 Forms 1120-PC [20]. As previously mentioned, FCDC's could not file Forms 1120-A, 1120-F, and 1120S. The statistics for the largest FCDC's shown in Figures E through G and Table 4 exclude Forms 1120-RIC and 1120-REIT.

Form 1120 sampled returns were stratified, based on size of total assets and size of "proceeds" (which was used as a measure of income and was the larger of the absolute value of net income or deficit or the absolute value of "cash flow," i.e., net income plus depreciation plus depletion). Forms 1120L, 1120-RIC, 1120-REIT, and 1120-PC were sampled, based solely on size of total assets.

For 2001, the sampling rates for Forms 1120 alone (the majority of returns included in the sample) ranged from less than 1 percent to 100 percent. In general, Form 1120 returns with assets of \$10 million or more, or with "proceeds" of \$2.5 million or more, were selected for the Statistics of Income study at the 100-percent rate. For additional information on sampling rates, see *Statistics of Income--2001, Corporation Income Tax Returns*.

Because the data presented are estimates based on samples, they are subject to sampling error. To properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CV's) are used to measure that magnitude. Figure H shows CV's for selected financial data of selected industrial sectors and selected countries of the foreign owners. For a general discussion of sampling procedures and CV's, see the Appendix ("SOI Sampling Methodology and Data Limitations") located near the back of this issue of the *Statistics of Income Bulletin*.

Nonsampling Limitations

Nonsampling errors can be categorized as coverage errors, nonresponse errors, processing errors, or response errors. These errors can be the result of the inability to obtain information about all returns in

the sample, differing interpretations of tax concepts or instructions by the taxpayer, inability of a corporation to provide accurate information at the time of filing (data are collected before auditing), inability to obtain all tax schedules and attachments, errors in recording or coding the data, errors in collecting or cleaning data, errors made in estimating for missing data, and failure to represent all population units.

Returns were selected for this study based on taxpayers' responses to two questions that appeared on the various types of Form 1120. The first question asked whether any "foreign person" owned, directly or indirectly, 25 percent or more of the filing corporation's voting stock, or the total value of all corporation stock, at any time during the tax year. If this question was answered "Yes," then a second question asked for the percentage owned [21]. If the first question was answered "Yes," and the second question was answered with a percentage between 50 and 100, then the return was included in the FCDC statistics [22, 23]. Taxpayers sometimes incorrectly answered these questions or did not answer them at all [24]. However, prior to tabulation, corporations with large amounts of assets or receipts, and with changes in foreign ownership status between 2000 and 2001, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. For 2001, the North American Industry Classification System (NAICS) was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of total receipts) of the corporation filing the return. However, a given return may summarize the activity of a company engaged in several businesses or may have been a consolidated return filed for an affiliated group of corporations that conducted different business activities. To the extent that some consolidated (and nonconsolidated) returns covered corporations that were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

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Figure H

Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Sectors and Selected Countries of Foreign Owners, Tax Year 2001

| Selected industrial sector or country | Coefficients of variation (percentages) | | | | | | |
|---|---|--------------|----------------|-------------|-------------|-----------------------|--------------------------------|
| | Number of returns | Total assets | Total receipts | Net income | Deficit | Income subject to tax | Total income tax after credits |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Total..... | 4.09 | 0.04 | 0.17 | 0.21 | 0.28 | 0.19 | 0.21 |
| Selected industrial sectors: | | | | | | | |
| Manufacturing..... | 9.52 | 0.04 | 0.12 | 0.16 | 0.27 | 0.15 | 0.20 |
| Wholesale trade..... | 7.89 | 0.29 | 0.48 | 0.98 | 1.46 | 1.02 | 1.03 |
| Information..... | 20.53 | 0.05 | 1.74 | 0.54 | 0.78 | 1.14 | 0.96 |
| Finance and insurance..... | 16.26 | 0.01 | 0.08 | 0.35 | 0.18 | 0.17 | 0.17 |
| Real estate and rental and leasing..... | 8.97 | 0.92 | 1.57 | 3.23 | 2.80 | 3.36 | 3.30 |
| Professional, scientific, and technical services..... | 14.35 | 0.52 | 2.03 | 3.88 | 2.55 | 4.08 | 4.45 |
| Management of companies (holding companies)..... | 20.11 | 0.06 | 0.14 | 0.84 | 1.58 | 0.91 | 0.93 |
| Selected countries of foreign owners: | | | | | | | |
| Bermuda..... | 44.84 | 0.05 | 0.12 | 0.63 | 0.87 | 0.23 | 0.32 |
| Canada..... | 11.50 | 0.34 | 0.84 | 2.06 | 0.74 | 1.91 | 1.90 |
| France..... | 19.42 | 0.05 | 0.33 | 0.45 | 0.83 | 0.58 | 0.58 |
| Germany..... | 14.69 | 0.06 | 0.52 | 0.97 | 0.37 | 1.07 | 1.31 |
| Japan..... | 10.66 | 0.12 | 0.27 | 0.38 | 0.71 | 0.30 | 0.29 |
| Netherlands..... | 18.86 | 0.03 | 0.73 | 0.33 | 0.76 | 0.32 | 0.33 |
| Sweden..... | 17.92 | 0.12 | 0.15 | 0.09 | 1.91 | 0.09 | 0.12 |
| Switzerland..... | 17.47 | 0.06 | 0.40 | 0.46 | 1.21 | 0.45 | 0.46 |
| United Kingdom..... | 14.65 | 0.05 | 0.27 | 0.32 | 0.89 | 0.32 | 0.39 |

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the same industry. For instance, those FCDC's that were primarily U.S. distributors of products made in foreign countries by their parent or other related companies were classified as wholesalers. However, other domestic corporations that were also distributors may have been included in consolidated returns covering both the manufacture and distribution of similar products and classified as manufacturers.

Each return was assigned a foreign country code during statistical processing that identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country in which the foreign entity was incorporated, organized, created, or administered. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company

and the ultimate foreign parent, the country data may be related to the holding company and, thus, not be related to the foreign country of the ultimate parent.

Notes and References

- [1] For 2000 statistics covering FCDC's, see Hobbs, James R., "Foreign-Controlled Domestic Corporations, 2000," *Statistics of Income Bulletin*, Summer 2003, Volume 23, Number 1. In addition, FCDC data are included on the IRS Internet site at www.irs.gov, under Tax Stats.
- [2] Total corporate data referenced throughout this article come from: (1) *Statistics of Income Bulletin*, Winter 2003-2004, Volume 23, Number 3; (2) *Statistics of Income--Corporation Income Tax Returns*, selected years; (3) *Source Book of Statistics of Income--Corporation Income Tax Returns*, selected

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years; and (4) unpublished Statistics of Income tabulations.

- [3] Direct investment is different from portfolio investment in that the latter exerts no control over the management of the enterprise, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. The portfolio investor has a minimal interest in a company and is primarily seeking dividend payments, an increase in the value of the shares of stock, or both.
- [4] Sections 7701(a)(4) and (5) of the Internal Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is “one which is not domestic.”
- [5] There will be separate tabulations covering foreign-controlled domestic corporations and branch operations of foreign corporations with income “effectively connected” with a U.S. trade or business in *Statistics of Income--2001, Corporation Income Tax Returns*. This publication is expected to be available in September 2004. See Tables 10, 11, 24, and 25 of this publication.
- [6] As a result of the Statistics of Income (SOI) sampling process, data shown in this article for “all corporations” exclude certain out-of-scope returns, such as returns for homeowners’ associations (Form 1120-H) and certain political organizations (Form 1120-POL). For a more complete listing of returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income--2001, Corporation Income Tax Returns*. On the other hand, in addition to legally defined corporations, the Internal Revenue Code recognizes many types of businesses as corporations, including joint stock companies and unincorporated associations (e.g., certain partnerships, savings and loan associations, and mutual savings banks). These organizations possess characteristics

typical of the corporate form, such as continuity of life, limited liability of owners, and transferability of shares of capital ownership. They filed Forms 1120 and were included in the SOI corporation sample.

- [7] For additional information on foreign investment in the United States, see *Survey of Current Business* reports, produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). BEA periodically produces several articles related to this subject, including: (a) “Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2002,” September 2003; (b) “U.S. Affiliates of Foreign Companies: Operations in 2001,” August 2003; and (c) “Foreign Direct Investment in the United States: New Investment in 2002,” June 2003. In addition to the printed versions of these articles, electronic versions can be obtained from the Internet at: www.bea.doc.gov. The data in these reports may not be directly comparable to the information shown in this article because of definitional differences, such as those relating to time periods covered and levels of foreign ownership.
- [8] The 7.0-percent increase between 2000 and 2001 in the assets of domestic corporations controlled by foreign persons, as well as the 4.5-percent increase for all corporations, may overstate the actual “growth in investment.” Assets are generally reported at book value on tax returns (i.e., at the value at the time of acquisition). The book value of newly-acquired assets is generally greater than the book value of similar assets they replaced. Therefore, new corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations comprised a different portion of FCDC’s than they did for other companies, the comparability of 7.0 percent to 4.5 percent (above) may be limited.
- [9] Dates of incorporation are reported, for example, on Form 1120, page 1, question C.

Foreign-Controlled Domestic Corporations, 2001

[10] In general, the computation of net income (less deficit) can be shown as follows:

Begin With: Total Receipts
(Includes Business Receipts)

Less: Total Deductions
(Includes Cost of Goods Sold)

Equals: Total Receipts Less Total Deductions

Plus: Constructive Taxable Income from Related Foreign Corporations
(Includes Includable Income from Controlled Foreign Corporations and Foreign Dividend Gross-up)

Less: Tax-exempt Interest on State and Local Government Obligations (Included in Total Receipts, above)

Equals: Net Income (Less Deficit)

[11] For the most recent detailed information on transactions between “foreign-owned domestic corporations” and their related foreign persons, see Duffy, Heather R. and Jauquet, William P., “Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2000,” *Statistics of Income Bulletin*, Fall 2003, Volume 23, Number 2. Unfortunately, the data contained in that article are not completely comparable to the data contained in this article, since they cover different time periods. Also, the statistics contained in the above-mentioned article are for U.S. corporations that were owned, 25 percent or more, by a foreign person. In contrast, the foreign ownership level used for the FCDC statistics shown in this article was 50 percent or more. Additionally, returns included in the “foreign-owned” study showed total receipts of \$500 million or more and reported transactions with related foreign persons on Form 5472, *Information Return of a 25 Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*. Neither of these conditions was a requirement for inclusion in the FCDC study.

[12] The expected date of publication for *Statistics of Income--2001, Corporation Income Tax Returns*, IRS Publication 16, is September 2004. See Tables 24 and 25 of this publication.

[13] The 35,720 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

[14] There were certain exceptions to the relationship of net income minus statutory special deductions equaling income subject to tax. In some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. Also, the tax bases of life insurance companies, regulated investment companies, and real estate investment trusts were not defined as net income less statutory special deductions.

[15] Most, if not all, of the largest FCDC’s and other domestic corporations were selected for this study at the 100-percent sampling rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data. A complete discussion on sampling rates is presented in *Statistics of Income--2001, Corporation Income Tax Returns*.

[16] Shown below are Tax Year 2001 data for all REIT’s, RIC’s, and S corporations filed by foreign-controlled domestic corporations (FCDC’s) and by other domestic corporations (ODC’s). Money amounts are in millions of dollars.

| Type of corporation and item | FCDC’s | ODC’s |
|--|--------|-----------|
| Real Estate Investment Trusts: | | |
| Number of returns | 50 | 981 |
| Total assets | 35,409 | 572,842 |
| Total receipts | 2,584 | 55,734 |
| Net income (less deficit) | 1,428 | 32,471 |
| Income subject to tax | * | 10 |
| Total income tax after credits | * | 7 |
| Regulated Investment Companies: | | |
| Number of returns | 98 | 11,220 |
| Total assets | 49,542 | 7,525,245 |
| Total receipts | 989 | 237,618 |
| Net income (less deficit) | 655 | 155,743 |
| Income subject to tax | — | 7 |
| Total income tax after credits | — | 1 |
| S Corporations: | | |
| Number of returns | — | 2,986,486 |
| Total assets | — | 1,883,045 |
| Total receipts | — | 3,761,512 |
| Net income (less deficit) | — | 142,552 |
| Income subject to tax | — | 875 |
| Total income tax after credits | — | 369 |
| * Less than \$500,000. | | |

Foreign-Controlled Domestic Corporations, 2001

[17] One focus of this article is U.S. total income tax after credits. The reader might chose to focus instead on total worldwide taxes, which may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. There are limitations in using this procedure, and the foreign tax credit only approximates the foreign tax liabilities of the corporations. Table 4 shows amounts of foreign tax credits in addition to U.S. total income tax after credits.

[18] The narrowing of differences between the two types of corporations by replacing “net income (less deficit)” with “total income tax after credits” as the numerator in the calculation may reflect the following: (1) the elimination of deficits, (2) the amount of statutory special deductions, and (3) the amounts of credits claimed against taxes. Each of these items is shown in Table 4.

[19] See “Tax Administration: Comparison of the Reported Tax Liabilities of Foreign- and U.S.-Controlled Corporations, 1996-2000,” U.S. General Accounting Office, GAO-04-358, February 2004. Also see Grubert, Harry, “Another Look at the Low Taxable Income of Foreign-Controlled Companies in the United States,” U.S. Department of the Treasury, Office of Tax Analysis, Paper 74, 1997; and Mataloni, Raymond J., Jr., “An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies,” U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, March 2000.

[20] The counts of 61 Forms 1120L and 35 Forms 1120-PC do not include returns of life insurance companies and property/casualty insurance companies, respectively, that were filed as part of consolidated returns under IRC section 1504(c). Under this section, a nonlife insurance parent company could include a domestic life insurance subsidiary in a consolidated return. For 2001, there were 94 section 1504(c) returns of foreign-controlled domestic corporations. Of this number, 59 returns had a property/casualty

insurance company as the largest subsidiary, 12 returns had a life insurance company as the largest subsidiary, and the remainder (23) had a non-insurance company as the largest subsidiary.

[21] On Form 1120, Page 3, Schedule K, the actual questions were: “(7) At any time during the tax year, did one foreign person own, directly or indirectly, at least 25 percent of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?” and “(7a) If ‘Yes,’ enter percentage owned.” There was an additional question used for the country distribution of these statistics, which was: “(7b) If ‘Yes,’ enter owner’s country.”

[22] This study may exclude returns of certain domestic companies that are effectively controlled by foreign persons, such as public companies in which “control” may be exercised with as little as 10 percent to 20 percent of the stock holdings.

[23] The Statistics of Income program also compiles data on domestic corporations with 25-percent to 49-percent foreign ownership. If a company was classified as an FCDC based on 50-percent or more foreign stock ownership, then it was not included in the 25-percent to 49-percent foreign ownership category, even if it had an unrelated foreign owner with 25-percent to 49-percent stock ownership. For 2001, there were only 4,692 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$146 billion of assets, \$73 billion of receipts, \$3 billion of taxable income, and \$1 billion of total income tax after credits. All these amounts were small in comparison to data for the FCDC’s.

[24] The FCDC statistics include data from returns in which the first question (see footnote 21) was answered “Yes,” and the second question covering percentage owned was not answered. There were 1,754 returns for Tax Year 2001 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$51.1 billion of assets and \$35.7 billion of receipts. Source: IRS Statistics of Income Bulletin, Summer 2004, Publication 1136 (Rev. 09-2004.)

Foreign-Controlled Domestic Corporations, 2001

Table 1.--Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971-2001

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

| Item | 1971 | 1983 | 1990 | 1995 | 1998 | 1999 | 2000 | 2001 |
|---|-----------|------------|------------|------------|------------|------------|------------|------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| ALL CORPORATIONS | | | | | | | | |
| Number of returns, total..... | 1,733,332 | 2,999,071 | 3,716,650 | 4,474,167 | 4,848,888 | 4,935,904 | 5,045,274 | 5,135,591 |
| Number with net income..... | 1,063,940 | 1,676,288 | 1,910,670 | 2,455,492 | 2,760,814 | 2,812,175 | 2,819,153 | 2,822,302 |
| Total assets..... | 2,889,221 | 10,201,084 | 18,190,058 | 26,013,689 | 37,347,353 | 41,464,153 | 47,026,872 | 49,154,424 |
| Total receipts..... | 1,906,008 | 7,135,494 | 11,409,520 | 14,539,050 | 17,323,955 | 18,892,386 | 20,605,808 | 20,272,958 |
| Business receipts..... | 1,763,760 | 6,334,603 | 9,860,442 | 12,785,798 | 15,010,265 | 16,313,971 | 17,636,551 | 17,504,289 |
| Interest received ¹ | 65,596 | 494,604 | 942,238 | 993,173 | 1,276,769 | 1,301,772 | 1,576,101 | 1,499,683 |
| Total deductions..... | 1,824,063 | 6,945,457 | 11,032,575 | 13,821,278 | 16,489,425 | 17,966,672 | 19,691,592 | 19,682,983 |
| Cost of goods sold..... | 1,241,282 | 4,308,239 | 6,610,770 | 8,206,073 | 9,362,392 | 10,284,098 | 11,135,288 | 11,041,533 |
| Interest paid..... | 64,697 | 475,060 | 825,372 | 744,765 | 966,659 | 1,018,972 | 1,271,679 | 1,203,046 |
| Total receipts less total deductions..... | 81,945 | 190,037 | 376,945 | 717,773 | 834,530 | 925,414 | 914,216 | 589,975 |
| Net income (less deficit)..... | 79,700 | 188,314 | 370,633 | 714,193 | 838,224 | 928,956 | 927,526 | 603,623 |
| Net income..... | 96,688 | 296,932 | 552,527 | 880,653 | 1,091,150 | 1,229,296 | 1,336,620 | 1,112,481 |
| Deficit..... | -16,988 | -108,618 | -181,894 | -166,460 | -252,926 | -300,340 | -409,094 | -508,858 |
| Income subject to tax..... | 83,165 | 218,686 | 366,353 | 564,733 | 663,386 | 693,736 | 760,404 | 635,257 |
| Total income tax before credits..... | 37,510 | 92,219 | 128,186 | 198,787 | 231,400 | 241,988 | 266,282 | 220,874 |
| Income tax..... | 37,143 | 90,462 | 119,434 | 193,564 | 228,022 | 238,722 | 262,233 | 218,676 |
| Total income tax after credits..... | 30,220 | 51,862 | 96,403 | 156,393 | 181,545 | 193,028 | 204,044 | 166,712 |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | | |
| Number of returns, total..... | 5,154 | 33,622 | 44,113 | 60,157 | 61,658 | 59,514 | 60,609 | 60,618 |
| Number with net income..... | 2,575 | 13,648 | 17,360 | 26,397 | 29,172 | 27,509 | 26,519 | 24,898 |
| Total assets..... | 36,674 | 530,334 | 1,652,255 | 2,762,747 | 3,917,687 | 4,761,072 | 6,071,994 | 6,499,997 |
| Total receipts..... | 39,181 | 389,909 | 1,060,295 | 1,536,705 | 1,890,493 | 2,167,523 | 2,612,072 | 2,482,900 |
| Business receipts..... | 38,043 | 359,793 | 950,083 | 1,372,489 | 1,662,560 | 1,888,652 | 2,253,215 | 2,144,066 |
| Interest received ¹ | 420 | 17,590 | 67,315 | 96,269 | 129,040 | 142,325 | 180,006 | 172,093 |
| Total deductions..... | 38,050 | 387,981 | 1,056,921 | 1,499,219 | 1,851,059 | 2,109,522 | 2,549,986 | 2,478,642 |
| Cost of goods sold..... | 28,804 | 271,372 | 709,052 | 1,000,691 | 1,177,416 | 1,322,100 | 1,584,513 | 1,501,678 |
| Interest paid..... | 733 | 22,255 | 77,562 | 92,417 | 128,845 | 144,833 | 186,835 | 177,677 |
| Total receipts less total deductions..... | 1,132 | 1,928 | 3,374 | 37,486 | 39,434 | 58,002 | 62,085 | 4,258 |
| Net income (less deficit)..... | 1,111 | 1,849 | 3,966 | 38,455 | 40,615 | 60,213 | 66,312 | 8,303 |
| Net income..... | 1,496 | 12,448 | 29,410 | 64,339 | 75,409 | 99,974 | 118,598 | 94,331 |
| Deficit..... | -384 | -10,599 | -25,444 | -25,884 | -34,794 | -39,762 | -52,287 | -86,028 |
| Income subject to tax..... | 1,344 | 10,707 | 23,704 | 43,111 | 59,352 | 78,638 | 97,515 | 76,069 |
| Total income tax before credits..... | 650 | 4,849 | 8,719 | 15,834 | 21,262 | 28,107 | 34,650 | 26,827 |
| Income tax..... | 631 | 4,790 | 8,008 | 14,956 | 20,599 | 27,358 | 33,950 | 26,390 |
| Total income tax after credits..... | 610 | 3,419 | 7,438 | 13,157 | 18,273 | 23,937 | 28,073 | 21,774 |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS | | | | | | | | |
| Number of returns, total..... | 0.30 | 1.12 | 1.19 | 1.34 | 1.27 | 1.21 | 1.20 | 1.18 |
| Number with net income..... | 0.24 | 0.81 | 0.91 | 1.08 | 1.06 | 0.98 | 0.94 | 0.88 |
| Total assets..... | 1.27 | 5.20 | 9.08 | 10.62 | 10.49 | 11.48 | 12.91 | 13.22 |
| Total receipts..... | 2.06 | 5.46 | 9.29 | 10.57 | 10.91 | 11.47 | 12.68 | 12.25 |
| Business receipts..... | 2.16 | 5.68 | 9.64 | 10.73 | 11.08 | 11.58 | 12.78 | 12.25 |
| Interest received ¹ | 0.64 | 3.56 | 7.14 | 9.69 | 10.11 | 10.93 | 11.42 | 11.48 |
| Total deductions..... | 2.09 | 5.59 | 9.58 | 10.85 | 11.23 | 11.74 | 12.95 | 12.59 |
| Cost of goods sold..... | 2.32 | 6.30 | 10.73 | 12.19 | 12.58 | 12.86 | 14.23 | 13.60 |
| Interest paid..... | 1.13 | 4.68 | 9.40 | 12.41 | 13.33 | 14.21 | 14.69 | 14.77 |
| Total receipts less total deductions..... | 1.38 | 1.01 | 0.90 | 5.22 | 4.73 | 6.27 | 6.79 | 0.72 |
| Net income (less deficit)..... | 1.39 | 0.98 | 1.07 | 5.38 | 4.85 | 6.48 | 7.15 | 1.38 |
| Net income..... | 1.55 | 4.19 | 5.32 | 7.31 | 6.91 | 8.13 | 8.87 | 8.48 |
| Deficit..... | 2.26 | 9.76 | 13.99 | 15.55 | 13.76 | 13.24 | 12.78 | 16.91 |
| Income subject to tax..... | 1.62 | 4.90 | 6.47 | 7.63 | 8.95 | 11.34 | 12.82 | 11.97 |
| Total income tax before credits..... | 1.73 | 5.26 | 6.80 | 7.97 | 9.19 | 11.62 | 13.01 | 12.15 |
| Income tax..... | 1.70 | 5.30 | 6.70 | 7.73 | 9.03 | 11.46 | 12.95 | 12.07 |
| Total income tax after credits..... | 2.02 | 6.59 | 7.72 | 8.41 | 10.07 | 12.40 | 13.76 | 13.06 |

¹ Excludes interest received on State and local government obligations.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Tax law and tax form changes affect the year-to-year comparability of the data; see Statistics of Income--Corporation Income Tax Returns, selected years, for discussions of changes affecting the comparability of the data over time.

Foreign-Controlled Domestic Corporations, 2001

Table 2.--Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2001

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

| Major industry | Number of returns | | | Total assets | Net worth | Total receipts | Business receipts | Total deductions |
|---|-------------------|-----------------|-------------------------------------|------------------|------------------|------------------|-------------------|------------------|
| | Total | With net income | With total income tax after credits | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| All industries | 60,618 | 24,898 | 16,934 | 6,499,997 | 1,772,193 | 2,482,900 | 2,144,066 | 2,478,642 |
| Agriculture, forestry, fishing, and hunting..... | 916 | 397 | 248 | 6,867 | 2,827 | 4,912 | 4,575 | 5,054 |
| Agricultural production..... | 820 | 321 | 174 | 5,720 | 2,381 | 4,243 | 3,934 | 4,388 |
| Forestry and logging..... | 10 | 5 | 4 | 534 | 250 | 229 | 221 | 231 |
| Support activities and fishing, hunting, and trapping..... | 87 | 72 | 70 | 613 | 196 | 440 | 421 | 435 |
| Mining..... | 617 | 196 | 151 | 128,690 | 72,745 | 32,434 | 28,509 | 32,060 |
| Utilities..... | 81 | 30 | 26 | 62,037 | 12,349 | 20,348 | 18,847 | 20,536 |
| Construction..... | 1,720 | 493 | 363 | 46,840 | 10,935 | 43,482 | 41,316 | 43,955 |
| Building, developing, and general contracting..... | 1,592 | 434 | 330 | 22,057 | 6,890 | 27,878 | 26,257 | 27,295 |
| Heavy construction..... | 41 | 17 | 13 | 20,964 | 3,216 | 11,143 | 10,801 | 12,194 |
| Special trade contractors..... | 87 | 42 | 20 | 3,820 | 829 | 4,461 | 4,258 | 4,466 |
| Manufacturing..... | 7,014 | 2,795 | 2,223 | 1,766,405 | 643,643 | 1,059,021 | 988,022 | 1,055,464 |
| Food manufacturing..... | 521 | 431 | 402 | 52,160 | 9,955 | 39,656 | 38,333 | 39,505 |
| Beverage and tobacco product manufacturing..... | 360 | 34 | 28 | 47,118 | 13,501 | 24,223 | 21,407 | 22,533 |
| Textile mills and textile product mills..... | 126 | 53 | 31 | 3,643 | 805 | 3,809 | 3,674 | 4,028 |
| Apparel manufacturing..... | 131 | 46 | 44 | 2,817 | 285 | 3,979 | 3,866 | 4,147 |
| Leather and allied product manufacturing..... | 9 | 3 | ** | 135 | 28 | 169 | 165 | 179 |
| Wood product manufacturing..... | 255 | 100 | 99 | 4,266 | 1,639 | 3,789 | 3,777 | 3,988 |
| Paper manufacturing..... | 82 | 41 | 40 | 22,862 | 6,935 | 18,613 | 18,072 | 19,582 |
| Printing and related support activities..... | 43 | 16 | 8 | 12,320 | 3,891 | 9,238 | 8,767 | 9,310 |
| Petroleum and coal products manufacturing..... | 25 | 18 | 16 | 352,982 | 175,116 | 181,023 | 170,125 | 168,731 |
| Chemical manufacturing..... | 531 | 274 | 239 | 325,597 | 102,434 | 182,501 | 160,257 | 175,707 |
| Plastics and rubber products manufacturing..... | 337 | 107 | 99 | 82,897 | 47,630 | 38,165 | 36,282 | 39,774 |
| Nonmetallic mineral product manufacturing..... | 320 | 186 | 65 | 61,073 | 20,742 | 38,747 | 37,135 | 37,719 |
| Primary metal manufacturing..... | 154 | 75 | 69 | 25,428 | 7,927 | 25,609 | 24,895 | 26,620 |
| Fabricated metal product manufacturing..... | 675 | 295 | 250 | 35,666 | 12,225 | 30,115 | 29,088 | 30,296 |
| Machinery manufacturing..... | 1,120 | 250 | 239 | 138,068 | 44,144 | 84,818 | 79,928 | 85,903 |
| Computer and electronic product manufacturing..... | 994 | 260 | 163 | 149,678 | 45,074 | 106,733 | 101,582 | 117,077 |
| Electrical equipment, appliance, and component manufacturing..... | 230 | 110 | 60 | 25,702 | 10,357 | 20,281 | 19,677 | 20,611 |
| Transportation equipment manufacturing..... | 575 | 239 | 158 | 382,315 | 127,355 | 219,817 | 204,827 | 221,743 |
| Furniture and related product manufacturing..... | 88 | 21 | 20 | 975 | 434 | 1,539 | 1,490 | 1,533 |
| Miscellaneous manufacturing..... | 437 | 236 | 193 | 40,702 | 13,167 | 26,197 | 24,675 | 26,477 |
| Wholesale and retail trade | 19,280 | 9,261 | 6,275 | 400,674 | 105,076 | 669,119 | 647,912 | 668,143 |
| Wholesale trade..... | 15,494 | 7,668 | 5,305 | 314,585 | 80,348 | 543,494 | 526,947 | 541,715 |
| Wholesale trade, durable goods..... | 10,382 | 4,792 | 3,531 | 226,332 | 59,903 | 390,989 | 379,250 | 390,732 |
| Wholesale trade, nondurable goods..... | 5,112 | 2,876 | 1,774 | 88,253 | 20,445 | 152,504 | 147,697 | 150,983 |
| Retail trade..... | 3,785 | 1,593 | 970 | 86,080 | 24,723 | 125,607 | 120,947 | 126,407 |
| Motor vehicle dealers and parts dealers..... | 92 | 48 | 16 | 3,124 | 886 | 6,001 | 5,874 | 5,886 |
| Furniture and home furnishings stores..... | 56 | 16 | 6 | 2,553 | 271 | 3,017 | 2,930 | 3,098 |
| Electronics and appliance stores..... | 1,149 | 263 | 182 | 5,096 | 1,687 | 4,306 | 3,758 | 4,782 |
| Building material and garden equipment and supplies dealers..... | 33 | 31 | 13 | 686 | 279 | 750 | 626 | 742 |
| Food, beverage, and liquor stores..... | 68 | 13 | 12 | 46,738 | 13,351 | 81,117 | 79,189 | 80,568 |
| Health and personal care stores..... | 27 | 16 | 13 | 6,697 | 781 | 6,411 | 5,924 | 6,327 |
| Gasoline stations..... | 228 | 218 | 218 | 396 | 60 | 1,156 | 1,131 | 1,158 |
| Clothing and clothing accessories stores..... | 795 | 332 | 42 | 12,124 | 4,682 | 10,373 | 9,712 | 10,759 |
| Sporting goods, hobby, book, and music stores..... | 336 | 79 | 69 | 508 | 62 | 1,017 | 983 | 1,039 |
| General merchandise stores..... | 310 | 306 | 306 | 342 | 32 | 2,792 | 2,773 | 2,869 |
| Miscellaneous store retailers..... | 224 | 113 | 55 | 2,822 | 960 | 2,364 | 2,097 | 2,676 |
| Nonstore retailers..... | 468 | 157 | 36 | 4,995 | 1,671 | 6,304 | 5,950 | 6,503 |
| Wholesale and retail trade not allocable | ** | -- | -- | 9 | 5 | 18 | 18 | 20 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

**Table 2.--Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2001
--Continued**

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

| Major industry | Number of returns | | | Total assets | Net worth | Total receipts | Business receipts | Total deductions |
|--|-------------------|-----------------|-------------------------------------|--------------|-----------|----------------|-------------------|------------------|
| | Total | With net income | With total income tax after credits | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Transportation and warehousing..... | 1,917 | 494 | 435 | 46,751 | 13,322 | 37,676 | 33,906 | 37,864 |
| Air, rail, and water transportation..... | 382 | 105 | 82 | 16,914 | 5,248 | 9,448 | 7,246 | 8,986 |
| Truck transportation..... | 13 | 7 | 6 | 1,165 | 336 | 1,452 | 1,373 | 1,510 |
| Transit and ground passenger transportation..... | 300 | 3 | ** | 8,492 | 2,150 | 7,821 | 7,109 | 8,020 |
| Pipeline transportation..... | 11 | 6 | 6 | 4,372 | 1,027 | 976 | 871 | 1,039 |
| Other transportation and support activities..... | 1,114 | 314 | 300 | 13,476 | 3,807 | 16,034 | 15,462 | 16,353 |
| Warehousing and storage..... | 96 | 60 | 40 | 2,331 | 755 | 1,946 | 1,845 | 1,957 |
| Information..... | 2,209 | 339 | 175 | 642,313 | 345,517 | 93,222 | 72,520 | 99,769 |
| Publishing industries..... | 521 | 106 | 71 | 75,400 | 13,641 | 31,974 | 27,752 | 32,512 |
| Motion picture and sound recording industries..... | 476 | 57 | 21 | 313,390 | 166,667 | 32,494 | 22,721 | 30,357 |
| Broadcasting and telecommunications..... | 998 | 81 | 70 | 237,783 | 162,342 | 22,985 | 17,131 | 30,005 |
| Information services and data processing services..... | 214 | 95 | 13 | 15,740 | 2,867 | 5,770 | 4,915 | 6,895 |
| Finance and insurance..... | 1,758 | 1,023 | 749 | 2,530,370 | 386,294 | 352,561 | 191,000 | 346,860 |
| Credit intermediation..... | 276 | 184 | 172 | 301,396 | 31,188 | 31,778 | 11,907 | 32,000 |
| Securities, commodity contracts, and other financial investments and related activities..... | 834 | 399 | 359 | 1,195,845 | 72,788 | 109,036 | 33,485 | 107,529 |
| Insurance carriers and related activities..... | 294 | 180 | 96 | 919,960 | 210,888 | 206,757 | 145,548 | 204,572 |
| Other financial vehicles and other investment companies..... | 353 | 259 | 122 | 113,169 | 71,429 | 4,991 | 60 | 2,759 |
| Real estate and rental and leasing..... | 11,703 | 4,314 | 2,370 | 82,925 | 25,092 | 18,914 | 13,769 | 18,370 |
| Real estate..... | 11,469 | 4,155 | 2,282 | 54,505 | 21,748 | 9,527 | 5,873 | 8,627 |
| Rental and leasing services..... | 231 | 158 | 86 | 28,198 | 3,322 | 9,373 | 7,895 | 9,731 |
| Lessors of nonfinancial intangible assets (except copyrighted works)..... | 3 | ** | ** | 222 | 23 | 14 | 1 | 13 |
| Professional, scientific, and technical services..... | 5,704 | 2,312 | 2,009 | 79,648 | 34,067 | 44,880 | 41,327 | 47,522 |
| Management of companies (holding companies)..... | 2,502 | 1,065 | 625 | 601,274 | 84,099 | 42,085 | 3,953 | 38,184 |
| Administrative and support and waste management and remediation services..... | 1,606 | 966 | 899 | 29,981 | 8,210 | 25,091 | 23,578 | 25,406 |
| Administrative and support services..... | 1,579 | 946 | 879 | 26,644 | 8,469 | 23,195 | 21,770 | 23,289 |
| Waste management and remediation services..... | 27 | 20 | 19 | 3,337 | -259 | 1,896 | 1,808 | 2,117 |
| Educational services..... | 747 | 11 | 9 | 1,678 | 503 | 975 | 890 | 1,007 |
| Health care and social assistance..... | 152 | 77 | 69 | 13,758 | 5,895 | 8,823 | 8,812 | 8,919 |
| Offices of health practitioners and outpatient care centers..... | 69 | 63 | 62 | 11,025 | 5,267 | 6,648 | 6,733 | 6,646 |
| Miscellaneous health care and social assistance..... | 74 | 8 | 4 | 1,548 | 392 | 1,074 | 1,025 | 1,170 |
| Hospitals, nursing, and residential care facilities..... | 9 | 5 | 3 | 1,185 | 236 | 1,102 | 1,054 | 1,103 |
| Arts, entertainment, and recreation..... | 704 | 304 | 53 | 4,220 | 935 | 2,527 | 1,894 | 2,633 |
| Amusement, gambling, and recreation industries..... | 106 | 22 | 15 | 3,380 | 982 | 1,402 | 1,183 | 1,543 |
| Other arts, entertainment, and recreation..... | 598 | 281 | 38 | 840 | -47 | 1,126 | 712 | 1,090 |
| Accommodation and food services..... | 1,406 | 609 | 153 | 49,636 | 19,185 | 22,920 | 19,753 | 22,918 |
| Accommodation..... | 673 | 263 | 139 | 34,490 | 15,121 | 8,097 | 6,059 | 8,204 |
| Food services and drinking places..... | 733 | 346 | 14 | 15,146 | 4,063 | 14,823 | 13,694 | 14,713 |
| Other services..... | 341 | 210 | 101 | 5,901 | 1,491 | 3,905 | 3,481 | 3,976 |
| Repair and maintenance..... | 250 | 186 | 94 | 1,663 | 462 | 1,842 | 1,733 | 1,817 |
| Personal and laundry services..... | 90 | 24 | 7 | 4,239 | 1,029 | 2,063 | 1,748 | 2,160 |
| Not allocable..... | 240 | ** | ** | 29 | 8 | 5 | (1) | 3 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 2.--Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2001
--Continued

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

| Major industry | Cost of goods sold (9) | Total receipts less total deductions (10) | Net income (less deficit) (11) | Net income (12) | Deficit (13) | Income subject to tax (14) | Total income tax | |
|--|------------------------------------|---|--|-----------------------|-----------------|--|---------------------------|--------------------------|
| | | | | | | | Before credits (15) | After credits (16) |
| All industries | 1,501,678 | 4,258 | 8,303 | 94,331 | -86,028 | 76,069 | 26,827 | 21,774 |
| Agriculture, forestry, fishing, and hunting..... | 3,368 | -142 | -136 | 147 | -283 | 67 | 22 | 20 |
| Agricultural production..... | 2,915 | -146 | -139 | 112 | -252 | 36 | 11 | 10 |
| Forestry and logging..... | 184 | -1 | -1 | 6 | -7 | 6 | 2 | 2 |
| Support activities and fishing, hunting, and trapping.. | 269 | 5 | 5 | 29 | -24 | 25 | 8 | 8 |
| Mining..... | 17,454 | 375 | 626 | 2,553 | -1,927 | 2,176 | 774 | 390 |
| Utilities..... | 12,807 | -188 | -152 | 473 | -625 | 329 | 116 | 99 |
| Construction..... | 34,881 | -473 | -456 | 1,427 | -1,883 | 940 | 328 | 315 |
| Building, developing, and general contracting..... | 24,049 | 583 | 582 | 922 | -340 | 481 | 168 | 167 |
| Heavy construction..... | 7,650 | -1,052 | -1,047 | 363 | -1,409 | 350 | 123 | 121 |
| Special trade contractors..... | 3,182 | -5 | 8 | 142 | -134 | 109 | 38 | 27 |
| Manufacturing..... | 718,064 | 3,557 | 6,725 | 40,666 | -33,940 | 35,807 | 12,569 | 8,908 |
| Food manufacturing..... | 24,856 | 151 | 343 | 1,225 | -882 | 1,039 | 365 | 284 |
| Beverage and tobacco product manufacturing..... | 9,481 | 1,690 | 1,675 | 1,726 | -51 | 1,620 | 571 | 527 |
| Textile mills and textile product mills..... | 2,765 | -219 | -219 | 78 | -297 | 44 | 16 | 15 |
| Apparel manufacturing..... | 3,023 | -168 | -165 | 67 | -233 | 39 | 13 | 13 |
| Leather and allied product manufacturing..... | 115 | -10 | -10 | 2 | -11 | (¹) | (¹) | (¹) |
| Wood product manufacturing..... | 2,956 | -199 | -199 | 51 | -250 | 46 | 15 | 14 |
| Paper manufacturing..... | 14,777 | -970 | -962 | 138 | -1,100 | 73 | 29 | 27 |
| Printing and related support activities..... | 5,863 | -72 | -72 | 120 | -192 | 111 | 39 | 19 |
| Petroleum and coal products manufacturing..... | 134,027 | 12,293 | 12,740 | 12,968 | -228 | 12,580 | 4,421 | 2,513 |
| Chemical manufacturing..... | 89,771 | 6,794 | 8,378 | 12,594 | -4,216 | 10,344 | 3,623 | 2,639 |
| Plastics and rubber products manufacturing..... | 26,469 | -1,610 | -1,578 | 559 | -2,137 | 503 | 177 | 145 |
| Nonmetallic mineral product manufacturing..... | 24,527 | 1,029 | 1,062 | 1,647 | -585 | 1,530 | 541 | 504 |
| Primary metal manufacturing..... | 21,644 | -1,011 | -1,011 | 522 | -1,534 | 434 | 154 | 141 |
| Fabricated metal product manufacturing..... | 20,926 | -181 | -151 | 749 | -899 | 649 | 228 | 223 |
| Machinery manufacturing..... | 55,037 | -1,086 | -504 | 1,589 | -2,094 | 1,481 | 516 | 235 |
| Computer and electronic product manufacturing..... | 78,146 | -10,344 | -10,179 | 1,132 | -11,311 | 745 | 259 | 206 |
| Electrical equipment, appliance, and component manufacturing..... | 14,389 | -329 | -315 | 456 | -771 | 401 | 139 | 135 |
| Transportation equipment manufacturing..... | 172,223 | -1,927 | -1,854 | 4,118 | -5,971 | 3,403 | 1,199 | 1,051 |
| Furniture and related product manufacturing..... | 1,102 | 6 | 6 | 32 | -26 | 28 | 10 | 9 |
| Miscellaneous manufacturing..... | 15,968 | -280 | -260 | 893 | -1,152 | 736 | 255 | 209 |
| Wholesale and retail trade | 521,061 | 977 | 1,083 | 12,197 | -11,114 | 10,302 | 3,571 | 3,387 |
| Wholesale trade..... | 433,850 | 1,778 | 1,868 | 10,356 | -8,488 | 8,718 | 3,021 | 2,860 |
| Wholesale trade, durable goods..... | 312,477 | 258 | 333 | 6,727 | -6,393 | 5,481 | 1,900 | 1,819 |
| Wholesale trade, nondurable goods..... | 121,372 | 1,521 | 1,534 | 3,629 | -2,095 | 3,237 | 1,121 | 1,041 |
| Retail trade..... | 87,194 | -800 | -783 | 1,841 | -2,624 | 1,584 | 550 | 527 |
| Motor vehicle dealers and parts dealers..... | 5,117 | 114 | 115 | 154 | -38 | 149 | 51 | 51 |
| Furniture and home furnishings stores..... | 1,651 | -80 | -78 | 138 | -216 | 136 | 48 | 48 |
| Electronics and appliance stores..... | 2,809 | -476 | -462 | 78 | -540 | 29 | 8 | 8 |
| Building material and garden equipment and supplies dealers..... | 476 | 8 | 8 | 18 | -10 | 6 | 2 | 2 |
| Food, beverage, and liquor stores..... | 58,827 | 549 | 548 | 674 | -125 | 651 | 228 | 208 |
| Health and personal care stores..... | 3,705 | 84 | 84 | 185 | -101 | 174 | 60 | 60 |
| Gasoline stations..... | 948 | -3 | -3 | 12 | -14 | 6 | 2 | 2 |
| Clothing and clothing accessories stores..... | 5,034 | -386 | -386 | 409 | -795 | 342 | 120 | 119 |
| Sporting goods, hobby, book, and music stores..... | 689 | -23 | -23 | 22 | -45 | 19 | 6 | 6 |
| General merchandise stores..... | 2,552 | -77 | -77 | 22 | -99 | 20 | 7 | 6 |
| Miscellaneous store retailers..... | 1,470 | -312 | -312 | 42 | -354 | 14 | 4 | 4 |
| Nonstore retailers..... | 3,915 | -199 | -199 | 88 | -287 | 37 | 13 | 13 |
| Wholesale and retail trade not allocable | 17 | -2 | -2 | -- | -2 | -- | -- | -- |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 2.--Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2001
--Continued

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

| Major industry | Cost of goods sold | Total receipts less total deductions | Net income (less deficit) | Net income | Deficit | Income subject to tax | Total income tax | |
|---|-----------------------------|---|------------------------------------|---------------|---------|--------------------------------|-------------------|------------------|
| | | | | | | | Before credits | After credits |
| | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| Transportation and warehousing..... | 11,634 | -188 | -180 | 934 | -1,114 | 779 | 272 | 242 |
| Air, rail, and water transportation..... | 3,063 | 462 | 469 | 574 | -104 | 445 | 158 | 136 |
| Truck transportation..... | 147 | -58 | -58 | 5 | -63 | 4 | 1 | 1 |
| Transit and ground passenger transportation..... | 974 | -199 | -199 | 8 | -207 | 7 | 2 | 2 |
| Pipeline transportation..... | 700 | -63 | -63 | 41 | -104 | 40 | 14 | 12 |
| Other transportation and support activities..... | 6,386 | -319 | -320 | 244 | -563 | 226 | 76 | 71 |
| Warehousing and storage..... | 365 | -11 | -9 | 63 | -73 | 57 | 20 | 19 |
| Information..... | 32,201 | -6,547 | -6,401 | 5,057 | -11,458 | 1,882 | 681 | 621 |
| Publishing industries..... | 10,377 | -538 | -495 | 1,551 | -2,046 | 1,380 | 482 | 437 |
| Motion picture and sound recording industries..... | 11,593 | 2,137 | 2,191 | 2,799 | -607 | 154 | 54 | 53 |
| Broadcasting and telecommunications..... | 9,121 | -7,020 | -6,989 | 448 | -7,436 | 107 | 61 | 58 |
| Information services and data processing services..... | 1,110 | -1,125 | -1,109 | 259 | -1,368 | 240 | 85 | 72 |
| Finance and insurance..... | 101,855 | 5,701 | 5,737 | 19,559 | -13,822 | 15,471 | 5,598 | 5,227 |
| Credit intermediation..... | 221 | -222 | -163 | 2,080 | -2,243 | 1,809 | 638 | 568 |
| Securities, commodity contracts, and other financial investments and related activities..... | 365 | 1,507 | 1,855 | 5,646 | -3,791 | 4,674 | 1,814 | 1,688 |
| Insurance carriers and related activities..... | 101,250 | 2,185 | 1,812 | 9,500 | -7,687 | 8,761 | 3,067 | 2,906 |
| Other financial vehicles and other investment companies..... | 19 | 2,231 | 2,233 | 2,334 | -101 | 227 | 79 | 66 |
| Real estate and rental and leasing..... | 3,251 | 543 | 542 | 2,147 | -1,604 | 1,181 | 408 | 400 |
| Real estate..... | 1,243 | 900 | 898 | 1,941 | -1,043 | 1,048 | 362 | 355 |
| Rental and leasing services..... | 2,008 | -358 | -357 | 203 | -560 | 131 | 45 | 44 |
| Lessors of nonfinancial intangible assets (except copyrighted works)..... | (¹) | 1 | 1 | 2 | -1 | 2 | 1 | 1 |
| Professional, scientific, and technical services..... | 16,726 | -2,642 | -2,601 | 1,657 | -4,258 | 1,180 | 404 | 347 |
| Management of companies (holding companies)..... | 119 | 3,901 | 4,085 | 5,451 | -1,366 | 4,794 | 1,679 | 1,498 |
| Administrative and support and waste management and remediation services..... | 13,560 | -315 | -302 | 845 | -1,148 | 289 | 96 | 85 |
| Administrative and support services..... | 12,532 | -94 | -82 | 830 | -911 | 276 | 92 | 81 |
| Waste management and remediation services..... | 1,029 | -221 | -221 | 15 | -236 | 13 | 4 | 4 |
| Educational services..... | 271 | -32 | -23 | 35 | -59 | 25 | 9 | 3 |
| Health care and social assistance..... | 3,460 | -96 | -89 | 210 | -299 | 130 | 45 | 43 |
| Offices of health practitioners and outpatient care centers..... | 3,088 | 2 | 2 | 160 | -159 | 107 | 37 | 35 |
| Miscellaneous health care and social assistance..... | 356 | -96 | -89 | 24 | -112 | 12 | 4 | 4 |
| Hospitals, nursing, and residential care facilities..... | 17 | -2 | -2 | 26 | -28 | 12 | 4 | 4 |
| Arts, entertainment, and recreation..... | 435 | -106 | -105 | 166 | -271 | 152 | 53 | 51 |
| Amusement, gambling, and recreation industries..... | 311 | -141 | -141 | 77 | -218 | 70 | 24 | 24 |
| Other arts, entertainment, and recreation..... | 124 | 35 | 35 | 89 | -54 | 81 | 28 | 27 |
| Accommodation and food services..... | 9,017 | 2 | 17 | 583 | -566 | 380 | 139 | 81 |
| Accommodation..... | 1,267 | -108 | -94 | 368 | -462 | 272 | 97 | 43 |
| Food services and drinking places..... | 7,751 | 110 | 111 | 215 | -104 | 108 | 42 | 37 |
| Other services..... | 1,513 | -71 | -69 | 221 | -289 | 181 | 63 | 57 |
| Repair and maintenance..... | 1,120 | 25 | 25 | 112 | -87 | 75 | 25 | 24 |
| Personal and laundry services..... | 393 | -96 | -94 | 109 | -202 | 106 | 37 | 32 |
| Not allocable..... | (¹) | 2 | 2 | 3 | -1 | 3 | 1 | 1 |

** Not shown to avoid disclosure of information about specific corporations.

¹ Less than \$500,000.

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

Foreign-Controlled Domestic Corporations, 2001

Table 3.--Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporations and Countries of Foreign Owners, Tax Year 2001

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

| Age of corporations and countries of foreign owners | Number of returns | | | Total assets | Net worth | Total receipts | Business receipts | Total deductions |
|---|-------------------|-----------------|-------------------------------------|------------------|------------------|------------------|-------------------|------------------|
| | Total | With net income | With total income tax after credits | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| All corporations..... | 60,618 | 24,898 | 16,934 | 6,499,997 | 1,772,193 | 2,482,900 | 2,144,066 | 2,478,642 |
| Age of corporations: | | | | | | | | |
| Old corporations: | | | | | | | | |
| Number or amount..... | 47,094 | 21,345 | 14,496 | 5,382,151 | 1,468,666 | 2,203,037 | 1,923,404 | 2,190,296 |
| Percentage of all corporations..... | 77.7 | 85.7 | 85.6 | 82.8 | 82.9 | 88.7 | 89.7 | 88.4 |
| New corporations: | | | | | | | | |
| Number or amount..... | 13,524 | 3,554 | 2,438 | 1,117,846 | 303,527 | 279,863 | 220,662 | 288,346 |
| Percentage of all corporations..... | 22.3 | 14.3 | 14.4 | 17.2 | 17.1 | 11.3 | 10.3 | 11.6 |
| Countries of foreign owners: | | | | | | | | |
| Selected countries, total..... | 54,339 | 22,081 | 15,183 | 6,450,840 | 1,760,347 | 2,446,684 | 2,110,875 | 2,441,845 |
| Percentage of all countries..... | 89.6 | 88.7 | 89.7 | 99.2 | 99.3 | 98.5 | 98.5 | 98.5 |
| Selected countries: | | | | | | | | |
| Australia..... | 577 | 408 | 202 | 227,607 | 103,521 | 35,170 | 27,097 | 34,179 |
| Austria..... | 255 | 108 | 98 | 6,179 | 1,875 | 7,921 | 7,692 | 7,901 |
| Belgium..... | 314 | 161 | 146 | 33,511 | 8,229 | 29,368 | 26,824 | 29,218 |
| Bermuda..... | 616 | 101 | 77 | 253,279 | 103,110 | 59,587 | 46,894 | 61,449 |
| Brazil..... | 920 | 76 | 71 | 10,554 | 1,166 | 7,393 | 6,824 | 7,358 |
| Canada..... | 10,225 | 4,595 | 3,249 | 525,046 | 135,683 | 205,167 | 173,158 | 211,867 |
| Cayman Islands..... | 902 | 342 | 190 | 64,700 | 31,581 | 13,630 | 11,457 | 14,676 |
| China..... | 1,199 | 867 | 827 | 2,462 | 710 | 3,402 | 3,320 | 3,373 |
| China (Taiwan)..... | 2,317 | 764 | 584 | 12,541 | 3,582 | 14,597 | 14,113 | 15,135 |
| Colombia..... | 565 | 311 | 309 | 355 | 130 | 332 | 295 | 329 |
| Denmark..... | 274 | 103 | 93 | 20,144 | 7,232 | 14,706 | 13,705 | 14,424 |
| Finland..... | 116 | 51 | 34 | 19,680 | 5,023 | 18,255 | 17,172 | 18,459 |
| France..... | 2,396 | 977 | 534 | 680,885 | 252,890 | 187,288 | 152,598 | 182,394 |
| Germany..... | 4,484 | 1,953 | 1,389 | 915,929 | 240,728 | 326,279 | 275,305 | 338,523 |
| Hong Kong..... | 1,024 | 504 | 392 | 4,551 | 1,462 | 3,087 | 2,837 | 3,209 |
| India..... | 521 | 264 | 264 | 1,114 | 105 | 2,379 | 2,353 | 2,516 |
| Ireland..... | 429 | 73 | 21 | 72,852 | 21,998 | 20,145 | 15,632 | 20,716 |
| Israel..... | 736 | 309 | 248 | 19,684 | 4,207 | 6,078 | 5,085 | 6,781 |
| Italy..... | 920 | 464 | 306 | 20,014 | 7,458 | 14,952 | 14,146 | 15,029 |
| Japan..... | 5,916 | 2,721 | 1,521 | 559,058 | 145,121 | 483,613 | 448,589 | 478,192 |
| Korea, Republic of South..... | 655 | 349 | 320 | 17,612 | 1,340 | 35,184 | 33,991 | 35,670 |
| Leeward Islands..... | 2,803 | 690 | 431 | 18,120 | 5,002 | 13,280 | 12,280 | 13,415 |
| Luxembourg..... | 497 | 213 | 171 | 55,586 | 11,888 | 27,550 | 24,000 | 27,552 |
| Mexico..... | 2,407 | 830 | 522 | 22,876 | 8,387 | 13,425 | 12,165 | 13,651 |
| Netherlands..... | 1,615 | 649 | 482 | 1,010,483 | 209,352 | 293,813 | 234,556 | 289,224 |
| Netherlands Antilles..... | 510 | 174 | 110 | 13,931 | 3,841 | 8,962 | 7,827 | 8,355 |
| Norway..... | 162 | 59 | 43 | 7,405 | 1,972 | 9,322 | 9,123 | 9,587 |
| Panama..... | 1,684 | 631 | 238 | 8,312 | -20 | 4,032 | 3,834 | 3,992 |
| Philippines..... | 510 | 16 | 15 | 377 | 112 | 386 | 377 | 404 |
| Saudi Arabia..... | 292 | 6 | 3 | 2,749 | 1,240 | 5,206 | 4,823 | 4,951 |
| Singapore..... | 263 | 85 | 77 | 9,255 | 2,101 | 8,411 | 6,641 | 8,752 |
| Spain..... | 327 | 78 | 75 | 13,419 | 4,112 | 4,389 | 3,970 | 5,041 |
| Sweden..... | 273 | 80 | 71 | 120,638 | 13,240 | 78,883 | 69,132 | 76,045 |
| Switzerland..... | 1,855 | 798 | 485 | 651,340 | 53,999 | 125,566 | 97,687 | 124,064 |
| United Kingdom..... | 4,930 | 1,805 | 1,396 | 1,033,797 | 364,325 | 341,992 | 303,258 | 333,214 |
| Venezuela..... | 850 | 466 | 189 | 14,795 | 3,645 | 22,934 | 22,115 | 22,200 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 3.--Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporations and Countries of Foreign Owners, Tax Year 2001--Continued

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

| Age of corporations and countries of foreign owners | Cost of goods sold | Total receipts less total deductions | Net income (less deficit) | Net income | Deficit | Income subject to tax | Total income tax | |
|---|--------------------|--------------------------------------|---------------------------|---------------|----------------|-----------------------|------------------|---------------|
| | | | | | | | Before credits | After credits |
| | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| All corporations..... | 1,501,678 | 4,258 | 8,303 | 94,331 | -86,028 | 76,069 | 26,827 | 21,774 |
| Age of corporations: | | | | | | | | |
| Old corporations: | | | | | | | | |
| Number or amount..... | 1,372,061 | 12,741 | 15,881 | 86,585 | -70,704 | 70,506 | 24,876 | 20,035 |
| Percentage of all corporations..... | 91.4 | 299.2 | 191.3 | 91.8 | 82.2 | 92.7 | 92.7 | 92.0 |
| New corporations: | | | | | | | | |
| Number or amount..... | 129,617 | -8,483 | -7,578 | 7,746 | -15,323 | 5,564 | 1,951 | 1,740 |
| Percentage of all corporations..... | 8.6 | -199.2 | -91.3 | 8.2 | 17.8 | 7.3 | 7.3 | 8.0 |
| Countries of foreign owners: | | | | | | | | |
| Selected countries, total..... | 1,476,965 | 4,844 | 8,888 | 93,209 | -84,317 | 75,288 | 26,563 | 21,520 |
| Percentage of all countries..... | 98.4 | 113.8 | 107.0 | 98.8 | 98.0 | 99.0 | 99.0 | 98.8 |
| Selected countries: | | | | | | | | |
| Australia..... | 16,418 | 991 | 1,020 | 2,019 | -998 | 788 | 280 | 166 |
| Austria..... | 5,898 | 21 | 46 | 253 | -206 | 238 | 85 | 64 |
| Belgium..... | 19,436 | 151 | 192 | 738 | -546 | 602 | 210 | 190 |
| Bermuda..... | 28,085 | -1,862 | -1,335 | 2,487 | -3,821 | 1,796 | 628 | 334 |
| Brazil..... | 6,172 | 36 | 33 | 162 | -129 | 147 | 51 | 46 |
| Canada..... | 121,580 | -6,700 | -6,711 | 5,144 | -11,855 | 3,639 | 1,263 | 1,169 |
| Cayman Islands..... | 7,297 | -1,046 | -964 | 524 | -1,488 | 285 | 99 | 94 |
| China..... | 2,774 | 28 | 28 | 101 | -72 | 86 | 26 | 24 |
| China (Taiwan)..... | 11,750 | -538 | -538 | 346 | -885 | 283 | 95 | 66 |
| Colombia..... | 211 | 3 | 3 | 5 | -2 | 4 | 1 | 1 |
| Denmark..... | 8,716 | 282 | 297 | 784 | -487 | 280 | 98 | 76 |
| Finland..... | 13,291 | -203 | -193 | 252 | -445 | 86 | 30 | 23 |
| France..... | 107,009 | 4,894 | 4,995 | 11,260 | -6,265 | 8,608 | 3,008 | 2,859 |
| Germany..... | 199,758 | -12,244 | -11,637 | 4,913 | -16,550 | 3,623 | 1,282 | 969 |
| Hong Kong..... | 1,734 | -122 | -122 | 87 | -210 | 54 | 17 | 17 |
| India..... | 1,242 | -137 | -137 | 13 | -150 | 10 | 2 | 2 |
| Ireland..... | 11,618 | -571 | -643 | 433 | -1,076 | 271 | 93 | 87 |
| Israel..... | 3,379 | -703 | -714 | 393 | -1,107 | 239 | 82 | 81 |
| Italy..... | 9,050 | -77 | -62 | 506 | -568 | 406 | 141 | 125 |
| Japan..... | 354,495 | 5,421 | 5,636 | 16,204 | -10,568 | 13,515 | 4,739 | 4,359 |
| Korea, Republic of South..... | 30,817 | -486 | -482 | 360 | -842 | 283 | 97 | 86 |
| Leeward Islands..... | 8,836 | -135 | -132 | 575 | -707 | 427 | 146 | 144 |
| Luxembourg..... | 12,635 | -1 | 45 | 1,915 | -1,870 | 1,175 | 434 | 391 |
| Mexico..... | 9,220 | -226 | -216 | 412 | -628 | 296 | 105 | 97 |
| Netherlands..... | 153,881 | 4,589 | 5,190 | 11,261 | -6,071 | 9,905 | 3,642 | 2,938 |
| Netherlands Antilles..... | 4,050 | 607 | 727 | 969 | -242 | 901 | 315 | 186 |
| Norway..... | 7,379 | -265 | -264 | 118 | -382 | 92 | 32 | 32 |
| Panama..... | 3,148 | 40 | 50 | 136 | -86 | 72 | 23 | 23 |
| Philippines..... | 313 | -19 | -19 | 11 | -30 | 9 | 3 | 2 |
| Saudi Arabia..... | 4,383 | 256 | 256 | 279 | -23 | 48 | 35 | 35 |
| Singapore..... | 4,897 | -341 | -334 | 380 | -713 | 243 | 91 | 73 |
| Spain..... | 2,383 | -652 | -650 | 101 | -751 | 97 | 33 | 21 |
| Sweden..... | 48,755 | 2,838 | 3,662 | 5,371 | -1,709 | 5,054 | 1,769 | 1,260 |
| Switzerland..... | 43,772 | 1,502 | 1,612 | 5,593 | -3,980 | 4,674 | 1,631 | 1,492 |
| United Kingdom..... | 191,847 | 8,778 | 9,513 | 18,299 | -8,786 | 16,274 | 5,705 | 3,862 |
| Venezuela..... | 20,736 | 735 | 736 | 805 | -69 | 778 | 272 | 126 |

NOTES: "New" corporations were those with dates of incorporation between 1999 and 2002; "old" corporations were those with dates of incorporation prior to 1999, or with unknown dates of incorporation. Countries shown in this table are those in which one or more of the following were present: (a) at least 500 returns, (b) at least \$10 billion of total assets, or (c) at least \$5 billion of total receipts. Detail may not add to totals because of rounding.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Number of returns | | | Assets | | | |
|---|-------------------|-----------------|-------------------------------------|-------------------|-------------------|-------------------|-----------------------|
| | Total | With net income | With total income tax after credits | Total | Current | Noncurrent | |
| | | | | | | Total | Loans to stockholders |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 3,321 | 1,811 | 1,531 | 6,194,306 | 2,491,420 | 3,702,886 | 52,950 |
| Agriculture, forestry, fishing, and hunting | 14 | 5 | 4 | 3,122 | 1,069 | 2,053 | -- |
| Mining..... | 56 | 33 | 25 | 123,573 | 28,985 | 94,589 | 287 |
| Utilities..... | 17 | 9 | 8 | 60,747 | 7,073 | 53,674 | -- |
| Construction..... | 72 | 40 | 30 | 38,575 | 16,935 | 21,639 | 193 |
| Manufacturing..... | 1,235 | 625 | 533 | 1,722,772 | 565,614 | 1,157,158 | 12,196 |
| Wholesale and retail trade | 996 | 604 | 509 | 359,422 | 182,926 | 176,495 | 503 |
| Wholesale trade..... | 876 | 541 | 458 | 278,845 | 157,662 | 121,183 | 501 |
| Retail trade..... | 120 | 64 | 51 | 80,577 | 25,264 | 55,313 | 1 |
| Transportation and warehousing..... | 86 | 45 | 41 | 42,489 | 10,335 | 32,154 | 929 |
| Information..... | 147 | 49 | 31 | 634,231 | 135,683 | 498,548 | 938 |
| Finance and insurance..... | 283 | 178 | 168 | 2,424,032 | 1,075,106 | 1,348,926 | 36,579 |
| Real estate and rental and leasing..... | 54 | 28 | 17 | 44,969 | 11,293 | 33,676 | 25 |
| Professional, scientific, and technical services..... | 143 | 68 | 51 | 66,330 | 22,097 | 44,233 | 170 |
| Management of companies (holding companies)..... | 85 | 62 | 54 | 581,293 | 418,391 | 162,902 | -- |
| Administrative and support and waste management and remediation services..... | 44 | 19 | 19 | 27,334 | 6,607 | 20,727 | 13 |
| Educational services..... | 5 | ** | ** | 1,372 | 341 | 1,030 | 14 |
| Health care and social assistance..... | 16 | 7 | 4 | 13,145 | 2,010 | 11,135 | 13 |
| Arts, entertainment, and recreation..... | 11 | 5 | 5 | 2,321 | 527 | 1,794 | 8 |
| Accommodation and food services..... | 43 | 21 | 18 | 43,902 | 4,444 | 39,459 | 44 |
| Other services..... | 13 | 8 | 8 | 4,678 | 1,985 | 2,692 | 1,040 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 14,003 | 9,456 | 8,746 | 30,754,709 | 11,687,984 | 19,066,725 | 73,726 |
| Agriculture, forestry, fishing, and hunting | 87 | 57 | 47 | 17,815 | 6,112 | 11,703 | 13 |
| Mining..... | 192 | 123 | 100 | 267,040 | 38,161 | 228,879 | 7,886 |
| Utilities..... | 171 | 119 | 109 | 1,438,647 | 341,467 | 1,097,180 | 119 |
| Construction..... | 635 | 514 | 511 | 111,029 | 61,503 | 49,525 | 1,662 |
| Manufacturing..... | 3,198 | 1,837 | 1,663 | 5,808,724 | 1,915,461 | 3,893,263 | 44,091 |
| Wholesale and retail trade | 3,658 | 2,743 | 2,569 | 1,208,993 | 553,756 | 655,237 | 3,524 |
| Wholesale trade..... | 1,802 | 1,364 | 1,268 | 483,588 | 234,654 | 248,934 | 2,912 |
| Retail trade..... | 1,856 | 1,379 | 1,302 | 725,404 | 319,102 | 406,303 | 613 |
| Transportation and warehousing..... | 334 | 187 | 159 | 402,569 | 72,797 | 329,772 | 1,997 |
| Information..... | 659 | 258 | 209 | 2,346,391 | 526,901 | 1,819,490 | 1,118 |
| Finance and insurance..... | 1,922 | 1,440 | 1,400 | 9,982,082 | 3,294,272 | 6,687,810 | 7,898 |
| Real estate and rental and leasing..... | 159 | 72 | 61 | 127,747 | 25,848 | 101,899 | 153 |
| Professional, scientific, and technical services..... | 679 | 373 | 328 | 223,715 | 104,359 | 119,356 | 144 |
| Management of companies (holding companies)..... | 1,083 | 1,030 | 1,014 | 8,277,810 | 4,635,102 | 3,642,709 | 4,181 |
| Administrative and support and waste management and remediation services..... | 316 | 180 | 157 | 142,307 | 35,420 | 106,887 | 214 |
| Educational services..... | 35 | 23 | 21 | 6,920 | 2,839 | 4,081 | 4 |
| Health care and social assistance..... | 481 | 275 | 206 | 134,337 | 33,866 | 100,471 | 20 |
| Arts, entertainment, and recreation..... | 62 | 35 | 29 | 31,990 | 6,672 | 25,318 | 645 |
| Accommodation and food services..... | 250 | 151 | 127 | 197,683 | 26,756 | 170,927 | 49 |
| Other services..... | 81 | 38 | 35 | 28,910 | 6,692 | 22,218 | 9 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Liabilities | | | Net worth | | | |
|---|-------------------|------------------|-------------------------|------------------|-------------------|---------------|------------------|
| | Current | Noncurrent | | Total | Retained earnings | | |
| | | Total | Loans from stockholders | | Total | Appropriated | Unappropriated |
| | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 2,626,010 | 1,924,936 | 163,085 | 1,643,360 | -29,911 | 7,519 | -37,430 |
| Agriculture, forestry, fishing, and hunting | 575 | 1,428 | -- | 1,119 | -256 | 9 | -266 |
| Mining..... | 23,705 | 28,668 | 162 | 71,200 | -8,363 | 22 | -8,385 |
| Utilities..... | 16,173 | 32,522 | -- | 12,051 | 307 | -- | 307 |
| Construction..... | 16,719 | 14,203 | 4,031 | 7,653 | -8,497 | 24 | -8,521 |
| Manufacturing..... | 545,995 | 546,526 | 68,692 | 630,251 | 23,581 | 413 | 23,168 |
| Wholesale and retail trade | 170,405 | 92,176 | 14,785 | 96,840 | -5,856 | 5 | -5,861 |
| Wholesale trade..... | 136,450 | 69,405 | 14,228 | 72,991 | -2,866 | 4 | -2,870 |
| Retail trade..... | 33,956 | 22,772 | 557 | 23,849 | -2,990 | 1 | -2,991 |
| Transportation and warehousing..... | 9,282 | 21,128 | 2,349 | 12,079 | -2,524 | 276 | -2,800 |
| Information..... | 114,852 | 170,694 | 24,457 | 348,685 | -39,491 | 15 | -39,506 |
| Finance and insurance..... | 1,245,128 | 864,264 | 37,445 | 314,641 | 21,117 | 6,565 | 14,552 |
| Real estate and rental and leasing..... | 13,719 | 19,542 | 2,898 | 11,709 | -2,563 | -- | -2,563 |
| Professional, scientific, and technical services..... | 25,307 | 9,811 | 754 | 31,211 | -11,305 | 47 | -11,352 |
| Management of companies (holding companies)..... | 426,172 | 82,392 | 2,763 | 72,728 | 10,479 | 142 | 10,337 |
| Administrative and support and waste management and remediation services..... | 8,175 | 11,539 | 2,390 | 7,619 | -2,738 | -- | -2,738 |
| Educational services..... | 405 | 410 | 56 | 556 | -31 | -- | -31 |
| Health care and social assistance..... | 1,794 | 5,472 | 1,857 | 5,878 | -856 | -- | -856 |
| Arts, entertainment, and recreation..... | 1,239 | 632 | 1 | 450 | -558 | -- | -558 |
| Accommodation and food services..... | 5,832 | 20,560 | 303 | 17,510 | -2,703 | -- | -2,703 |
| Other services..... | 533 | 2,965 | 142 | 1,179 | 346 | -- | 346 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 14,231,558 | 9,411,052 | 133,262 | 7,112,099 | 2,341,853 | 90,266 | 2,251,587 |
| Agriculture, forestry, fishing, and hunting | 4,857 | 6,497 | 71 | 6,460 | 1,675 | 25 | 1,650 |
| Mining..... | 25,848 | 112,737 | 8,571 | 128,454 | 44,537 | 48 | 44,490 |
| Utilities..... | 376,677 | 694,398 | 2,983 | 367,572 | 93,822 | 2,461 | 91,361 |
| Construction..... | 38,219 | 37,924 | 2,009 | 34,886 | 17,294 | 35 | 17,258 |
| Manufacturing..... | 1,907,949 | 1,804,251 | 27,448 | 2,096,524 | 756,639 | 2,353 | 754,286 |
| Wholesale and retail trade | 406,138 | 348,305 | 5,845 | 454,550 | 197,661 | 3,896 | 193,765 |
| Wholesale trade..... | 166,613 | 135,673 | 3,738 | 181,302 | 83,906 | 3,754 | 80,152 |
| Retail trade..... | 239,525 | 212,632 | 2,107 | 273,247 | 113,755 | 142 | 113,613 |
| Transportation and warehousing..... | 85,923 | 193,227 | 1,425 | 123,419 | 45,705 | 25 | 45,680 |
| Information..... | 519,457 | 870,214 | 3,329 | 956,719 | -74,659 | 178 | -74,837 |
| Finance and insurance..... | 4,768,845 | 3,783,567 | 7,352 | 1,429,669 | 786,422 | 76,773 | 709,649 |
| Real estate and rental and leasing..... | 32,366 | 63,011 | 753 | 32,370 | 5,017 | 5 | 5,012 |
| Professional, scientific, and technical services..... | 74,566 | 54,318 | 469 | 94,831 | -32,113 | 124 | -32,237 |
| Management of companies (holding companies)..... | 5,879,153 | 1,192,737 | 70,553 | 1,205,920 | 480,064 | 4,177 | 475,887 |
| Administrative and support and waste management and remediation services..... | 42,234 | 55,792 | 404 | 44,282 | 7,503 | 109 | 7,394 |
| Educational services..... | 2,248 | 937 | 68 | 3,736 | 121 | 1 | 121 |
| Health care and social assistance..... | 27,080 | 61,369 | 546 | 45,887 | -10,065 | 5 | -10,070 |
| Arts, entertainment, and recreation..... | 5,539 | 17,579 | 1,172 | 8,872 | -361 | 8 | -369 |
| Accommodation and food services..... | 28,764 | 99,119 | 94 | 69,801 | 20,467 | 6 | 20,462 |
| Other services..... | 5,693 | 15,069 | 172 | 8,148 | 2,123 | 36 | 2,086 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Receipts | | | | | | |
|---|-------------------|-------------------|-----------------------|---------------|---------------|--------------------------|----------------------|
| | Total | Business receipts | Interest ¹ | Rents | Royalties | Dividends received from: | |
| | | | | | | Domestic corporations | Foreign corporations |
| | (15) | (16) | (17) | (18) | (19) | (20) | (21) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 2,313,403 | 1,992,710 | 167,511 | 12,540 | 14,044 | 3,041 | 4,409 |
| Agriculture, forestry, fishing, and hunting | 3,423 | 3,310 | 15 | 2 | 53 | -- | 14 |
| Mining..... | 30,893 | 27,194 | 998 | 37 | 117 | 30 | 254 |
| Utilities..... | 19,921 | 18,509 | 444 | 372 | 1 | 14 | 74 |
| Construction..... | 40,467 | 39,210 | 354 | 162 | 100 | 4 | 9 |
| Manufacturing..... | 1,014,438 | 945,009 | 20,728 | 5,724 | 9,033 | 752 | 2,770 |
| Wholesale and retail trade | 598,365 | 578,767 | 4,661 | 2,005 | 1,298 | 86 | 146 |
| Wholesale trade..... | 482,765 | 467,440 | 4,069 | 1,597 | 937 | 79 | 135 |
| Retail trade..... | 115,600 | 111,327 | 591 | 408 | 361 | 7 | 11 |
| Transportation and warehousing..... | 34,089 | 30,622 | 932 | 183 | 11 | 3 | 61 |
| Information..... | 87,020 | 67,229 | 6,548 | 225 | 2,274 | 92 | 328 |
| Finance and insurance..... | 344,713 | 188,472 | 102,974 | 2,008 | 115 | 1,773 | 283 |
| Real estate and rental and leasing..... | 12,105 | 9,827 | 654 | 248 | 44 | 2 | 1 |
| Professional, scientific, and technical services..... | 31,532 | 29,740 | 550 | 64 | 41 | 87 | 266 |
| Management of companies (holding companies)..... | 40,416 | 3,837 | 27,728 | 1,332 | 348 | 196 | 76 |
| Administrative and support and waste management and remediation services..... | 22,139 | 20,742 | 138 | 20 | 35 | -- | 12 |
| Educational services..... | 683 | 637 | 7 | 2 | 23 | -- | 6 |
| Health care and social assistance..... | 8,402 | 8,433 | 74 | 18 | 9 | -- | -- |
| Arts, entertainment, and recreation..... | 1,646 | 1,229 | 42 | 8 | 6 | 1 | -- |
| Accommodation and food services..... | 20,403 | 17,545 | 432 | 124 | 527 | 2 | 102 |
| Other services..... | 2,748 | 2,399 | 230 | 6 | 9 | -- | 9 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 11,143,689 | 9,266,805 | 1,055,923 | 86,779 | 99,000 | 14,278 | 44,775 |
| Agriculture, forestry, fishing, and hunting | 16,391 | 15,239 | 141 | 53 | 30 | 15 | 130 |
| Mining..... | 97,697 | 87,771 | 2,752 | 395 | 465 | 69 | 512 |
| Utilities..... | 1,021,093 | 976,267 | 12,354 | 2,727 | 187 | 322 | 1,097 |
| Construction..... | 165,344 | 159,519 | 1,443 | 522 | 199 | 65 | 19 |
| Manufacturing..... | 3,384,956 | 3,018,515 | 107,532 | 26,699 | 65,128 | 2,488 | 32,105 |
| Wholesale and retail trade | 2,239,598 | 2,164,164 | 14,765 | 3,516 | 10,550 | 298 | 2,043 |
| Wholesale trade..... | 850,201 | 824,892 | 6,193 | 1,428 | 2,720 | 149 | 1,651 |
| Retail trade..... | 1,389,398 | 1,339,272 | 8,571 | 2,088 | 7,830 | 149 | 392 |
| Transportation and warehousing..... | 297,128 | 281,534 | 3,587 | 1,089 | 291 | 71 | 156 |
| Information..... | 742,697 | 637,448 | 29,012 | 9,351 | 11,474 | 619 | 3,362 |
| Finance and insurance..... | 1,759,055 | 1,107,436 | 463,812 | 8,373 | 1,321 | 8,853 | 1,890 |
| Real estate and rental and leasing..... | 79,156 | 69,535 | 2,024 | 314 | 167 | 7 | 36 |
| Professional, scientific, and technical services..... | 180,034 | 165,452 | 3,569 | 374 | 3,548 | 30 | 365 |
| Management of companies (holding companies)..... | 701,749 | 163,460 | 407,948 | 31,321 | 310 | 1,341 | 2,317 |
| Administrative and support and waste management and remediation services..... | 126,306 | 117,521 | 1,259 | 79 | 1,132 | 27 | 361 |
| Educational services..... | 6,889 | 6,567 | 68 | 19 | 27 | -- | 3 |
| Health care and social assistance..... | 141,042 | 133,954 | 1,370 | 421 | 297 | 14 | 21 |
| Arts, entertainment, and recreation..... | 19,094 | 16,767 | 742 | 89 | 175 | 7 | 41 |
| Accommodation and food services..... | 141,824 | 123,736 | 3,304 | 1,357 | 3,621 | 34 | 276 |
| Other services..... | 23,637 | 21,920 | 243 | 83 | 77 | 18 | 41 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Deductions | | | | | | |
|---|-------------------|--------------------|--------------------------|--------------------|----------------|----------------|----------------|
| | Total | Cost of goods sold | Compensation of officers | Salaries and wages | Interest paid | Taxes paid | Depreciation |
| | (22) | (23) | (24) | (25) | (26) | (27) | (28) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 2,304,171 | 1,403,197 | 12,450 | 163,527 | 172,436 | 31,337 | 86,266 |
| Agriculture, forestry, fishing, and hunting | 3,470 | 2,629 | 16 | 156 | 129 | 29 | 97 |
| Mining..... | 30,149 | 16,833 | 88 | 1,517 | 2,698 | 750 | 2,369 |
| Utilities..... | 20,035 | 12,635 | 24 | 820 | 1,789 | 452 | 1,030 |
| Construction..... | 40,987 | 33,248 | 202 | 1,830 | 636 | 323 | 467 |
| Manufacturing..... | 1,008,974 | 687,699 | 2,604 | 59,398 | 44,070 | 13,904 | 42,331 |
| Wholesale and retail trade | 596,141 | 468,237 | 1,545 | 31,352 | 9,688 | 5,044 | 14,161 |
| Wholesale trade..... | 480,328 | 388,007 | 1,266 | 19,291 | 7,314 | 3,362 | 11,658 |
| Retail trade..... | 115,813 | 80,229 | 278 | 12,061 | 2,374 | 1,682 | 2,503 |
| Transportation and warehousing..... | 34,197 | 10,234 | 132 | 6,782 | 1,720 | 1,130 | 1,553 |
| Information..... | 91,991 | 29,469 | 595 | 10,899 | 11,633 | 1,581 | 6,214 |
| Finance and insurance..... | 341,022 | 101,264 | 5,161 | 28,976 | 76,502 | 3,650 | 10,689 |
| Real estate and rental and leasing..... | 11,996 | 2,667 | 81 | 1,529 | 1,543 | 381 | 2,687 |
| Professional, scientific, and technical services..... | 32,479 | 12,723 | 537 | 7,226 | 858 | 1,323 | 767 |
| Management of companies (holding companies)..... | 36,656 | 88 | 1,282 | 4,196 | 18,400 | 584 | 2,168 |
| Administrative and support and waste management and remediation services..... | 22,326 | 12,283 | 76 | 2,706 | 952 | 811 | 798 |
| Educational services..... | 680 | 222 | 13 | 154 | 29 | 26 | 11 |
| Health care and social assistance..... | 8,420 | 3,352 | 25 | 1,332 | 460 | 262 | 206 |
| Arts, entertainment, and recreation..... | 1,703 | 304 | 11 | 280 | 95 | 71 | 124 |
| Accommodation and food services..... | 20,097 | 8,325 | 45 | 3,853 | 930 | 946 | 534 |
| Other services..... | 2,848 | 987 | 12 | 520 | 305 | 69 | 60 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 10,854,929 | 5,877,437 | 56,143 | 1,064,990 | 870,988 | 210,910 | 423,756 |
| Agriculture, forestry, fishing, and hunting | 15,742 | 11,774 | 93 | 748 | 496 | 214 | 452 |
| Mining..... | 93,603 | 48,699 | 851 | 5,750 | 6,194 | 2,513 | 6,606 |
| Utilities..... | 1,005,374 | 777,290 | 2,240 | 19,979 | 40,041 | 18,582 | 30,851 |
| Construction..... | 158,985 | 124,431 | 1,394 | 8,312 | 2,747 | 2,242 | 1,993 |
| Manufacturing..... | 3,305,176 | 2,107,316 | 12,829 | 236,626 | 151,544 | 68,175 | 141,010 |
| Wholesale and retail trade | 2,198,092 | 1,663,532 | 6,708 | 191,194 | 30,801 | 28,670 | 36,620 |
| Wholesale trade..... | 840,677 | 692,611 | 3,133 | 45,296 | 13,567 | 7,192 | 12,021 |
| Retail trade..... | 1,357,414 | 970,921 | 3,575 | 145,898 | 17,233 | 21,479 | 24,599 |
| Transportation and warehousing..... | 304,786 | 64,250 | 864 | 73,198 | 9,824 | 11,450 | 23,807 |
| Information..... | 749,833 | 143,983 | 4,740 | 131,379 | 60,772 | 21,021 | 83,380 |
| Finance and insurance..... | 1,686,153 | 704,730 | 11,787 | 144,993 | 282,983 | 23,127 | 18,648 |
| Real estate and rental and leasing..... | 80,020 | 20,847 | 490 | 10,110 | 6,451 | 1,605 | 15,256 |
| Professional, scientific, and technical services..... | 181,488 | 54,291 | 3,849 | 50,291 | 4,489 | 5,518 | 5,128 |
| Management of companies (holding companies)..... | 627,041 | 18,176 | 6,928 | 85,655 | 255,289 | 10,305 | 43,272 |
| Administrative and support and waste management and remediation services..... | 123,299 | 49,317 | 742 | 24,180 | 3,992 | 4,749 | 3,662 |
| Educational services..... | 6,512 | 1,334 | 80 | 2,142 | 113 | 198 | 262 |
| Health care and social assistance..... | 139,480 | 31,932 | 1,362 | 43,987 | 4,620 | 4,395 | 3,966 |
| Arts, entertainment, and recreation..... | 19,089 | 3,042 | 234 | 3,621 | 1,755 | 1,477 | 1,480 |
| Accommodation and food services..... | 137,139 | 42,617 | 818 | 28,974 | 7,952 | 5,970 | 6,575 |
| Other services..... | 23,117 | 9,874 | 133 | 3,852 | 923 | 700 | 786 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Total receipts less total deductions | Constructive taxable income from related foreign corporations | Net income (less deficit) | Net income | Deficit | Statutory special deductions | |
|---|--------------------------------------|---|---------------------------|----------------|-----------------|------------------------------|------------------------------|
| | | | | | | Total | Net operating loss deduction |
| | (29) | (30) | (31) | (32) | (33) | (34) | (35) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 9,231 | 4,885 | 13,173 | 82,875 | -69,703 | 14,064 | 10,941 |
| Agriculture, forestry, fishing, and hunting | -47 | 6 | -41 | 29 | -70 | 12 | 10 |
| Mining..... | 744 | 252 | 996 | 2,332 | -1,337 | 315 | 277 |
| Utilities..... | -114 | 40 | -78 | 437 | -515 | 138 | 87 |
| Construction..... | -520 | 18 | -503 | 996 | -1,499 | 218 | 175 |
| Manufacturing..... | 5,465 | 3,221 | 8,617 | 38,830 | -30,213 | 4,538 | 3,276 |
| Wholesale and retail trade | 2,223 | 100 | 2,319 | 10,163 | -7,844 | 1,471 | 1,361 |
| Wholesale trade..... | 2,437 | 90 | 2,524 | 8,550 | -6,027 | 1,293 | 1,193 |
| Retail trade..... | -214 | 10 | -204 | 1,613 | -1,817 | 178 | 168 |
| Transportation and warehousing..... | -108 | 8 | -101 | 778 | -880 | 116 | 108 |
| Information..... | -4,971 | 131 | -4,841 | 4,710 | -9,551 | 3,121 | 2,802 |
| Finance and insurance..... | 3,691 | 631 | 3,726 | 16,869 | -13,144 | 2,314 | 1,191 |
| Real estate and rental and leasing..... | 108 | 1 | 110 | 621 | -511 | 293 | 292 |
| Professional, scientific, and technical services..... | -948 | 36 | -912 | 903 | -1,815 | 303 | 245 |
| Management of companies (holding companies)..... | 3,760 | 406 | 3,900 | 4,551 | -651 | 476 | 368 |
| Administrative and support and waste management and remediation services..... | -187 | 12 | -175 | 741 | -916 | 529 | 529 |
| Educational services..... | 3 | 7 | 9 | 22 | -13 | -- | -- |
| Health care and social assistance..... | -18 | (?) | -17 | 183 | -200 | 64 | 64 |
| Arts, entertainment, and recreation..... | -57 | -- | -57 | 87 | -144 | 1 | 1 |
| Accommodation and food services..... | 306 | 8 | 315 | 497 | -182 | 154 | 153 |
| Other services..... | -100 | 5 | -95 | 124 | -219 | 1 | -- |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 288,760 | 57,421 | 327,443 | 541,301 | -213,858 | 46,225 | 29,474 |
| Agriculture, forestry, fishing, and hunting | 648 | 273 | 920 | 1,156 | -236 | 289 | 264 |
| Mining..... | 4,094 | 453 | 4,537 | 7,375 | -2,839 | 2,524 | 2,435 |
| Utilities..... | 15,718 | 1,299 | 16,913 | 27,519 | -10,606 | 2,300 | 1,971 |
| Construction..... | 6,359 | 8 | 6,347 | 7,797 | -1,450 | 457 | 407 |
| Manufacturing..... | 79,780 | 40,517 | 118,500 | 189,369 | -70,869 | 18,619 | 9,660 |
| Wholesale and retail trade | 41,507 | 2,587 | 43,906 | 60,169 | -16,263 | 3,776 | 3,144 |
| Wholesale trade..... | 9,524 | 1,645 | 11,100 | 16,841 | -5,741 | 2,830 | 2,369 |
| Retail trade..... | 31,983 | 942 | 32,806 | 43,328 | -10,522 | 946 | 776 |
| Transportation and warehousing..... | -7,658 | 306 | -7,385 | 7,560 | -14,945 | 1,049 | 924 |
| Information..... | -7,135 | 2,366 | -5,314 | 46,498 | -51,812 | 4,010 | 3,133 |
| Finance and insurance..... | 72,902 | 5,520 | 67,719 | 91,351 | -23,632 | 8,769 | 4,425 |
| Real estate and rental and leasing..... | -864 | 117 | -750 | 2,332 | -3,082 | 387 | 361 |
| Professional, scientific, and technical services..... | -1,454 | 460 | -1,122 | 7,918 | -9,040 | 954 | 858 |
| Management of companies (holding companies)..... | 74,708 | 3,088 | 72,705 | 74,255 | -1,550 | 1,600 | 508 |
| Administrative and support and waste management and remediation services..... | 3,007 | 164 | 3,150 | 4,759 | -1,608 | 253 | 233 |
| Educational services..... | 377 | 15 | 383 | 519 | -136 | 7 | 6 |
| Health care and social assistance..... | 1,562 | 6 | 1,506 | 4,396 | -2,890 | 549 | 534 |
| Arts, entertainment, and recreation..... | 5 | 3 | 5 | 832 | -828 | 242 | 206 |
| Accommodation and food services..... | 4,684 | 219 | 4,889 | 6,576 | -1,687 | 348 | 324 |
| Other services..... | 519 | 21 | 534 | 918 | -384 | 92 | 79 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Income subject to tax | Total income tax before credits | Income tax | Alternative minimum tax | Total credits | Foreign tax credit | Total income tax after credits |
|---|-----------------------|---------------------------------|----------------|-------------------------|---------------|--------------------|--------------------------------|
| | (36) | (37) | (38) | (39) | (40) | (41) | (42) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 69,598 | 24,651 | 24,233 | 156 | 4,872 | 3,573 | 19,773 |
| Agriculture, forestry, fishing, and hunting | 17 | 6 | 6 | -- | 1 | -- | 5 |
| Mining..... | 2,041 | 728 | 714 | 14 | 365 | 269 | 363 |
| Utilities..... | 301 | 107 | 105 | 1 | 16 | 9 | 91 |
| Construction..... | 819 | 288 | 286 | 1 | 13 | 8 | 275 |
| Manufacturing..... | 34,465 | 12,108 | 12,051 | 55 | 3,639 | 2,765 | 8,469 |
| Wholesale and retail trade | 8,733 | 3,057 | 3,042 | 16 | 176 | 72 | 2,882 |
| Wholesale trade..... | 7,295 | 2,554 | 2,540 | 15 | 154 | 62 | 2,400 |
| Retail trade..... | 1,438 | 503 | 502 | 1 | 22 | 10 | 481 |
| Transportation and warehousing..... | 666 | 234 | 231 | 3 | 25 | 19 | 209 |
| Information..... | 1,638 | 597 | 573 | 24 | 23 | 18 | 574 |
| Finance and insurance..... | 15,004 | 5,438 | 5,160 | 18 | 365 | 242 | 5,074 |
| Real estate and rental and leasing..... | 328 | 121 | 114 | 7 | 1 | 1 | 120 |
| Professional, scientific, and technical services..... | 604 | 211 | 210 | 1 | 32 | 27 | 179 |
| Management of companies (holding companies)..... | 4,076 | 1,432 | 1,426 | 6 | 136 | 75 | 1,291 |
| Administrative and support and waste management and remediation services..... | 212 | 74 | 74 | -- | 10 | 6 | 64 |
| Educational services..... | 22 | 8 | 7 | (?) | 5 | 5 | 3 |
| Health care and social assistance..... | 119 | 42 | 42 | -- | 2 | -- | 39 |
| Arts, entertainment, and recreation..... | 86 | 30 | 30 | -- | 1 | 1 | 29 |
| Accommodation and food services..... | 344 | 128 | 120 | 8 | 57 | 52 | 71 |
| Other services..... | 123 | 43 | 43 | -- | 5 | 5 | 38 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 501,075 | 176,607 | 175,150 | 1,512 | 48,360 | 37,103 | 128,225 |
| Agriculture, forestry, fishing, and hunting | 870 | 305 | 303 | 1 | 96 | 89 | 209 |
| Mining..... | 4,863 | 1,794 | 1,700 | 93 | 520 | 408 | 1,274 |
| Utilities..... | 25,324 | 8,940 | 8,861 | 78 | 1,415 | 351 | 7,525 |
| Construction..... | 7,342 | 2,572 | 2,559 | 4 | 71 | 8 | 2,501 |
| Manufacturing..... | 172,920 | 60,648 | 60,381 | 353 | 28,944 | 24,330 | 31,704 |
| Wholesale and retail trade | 56,466 | 19,763 | 19,708 | 71 | 1,393 | 1,106 | 18,370 |
| Wholesale trade..... | 14,047 | 4,923 | 4,887 | 46 | 867 | 787 | 4,056 |
| Retail trade..... | 42,419 | 14,840 | 14,821 | 25 | 525 | 319 | 14,314 |
| Transportation and warehousing..... | 6,549 | 2,378 | 2,289 | 89 | 187 | 99 | 2,191 |
| Information..... | 42,631 | 14,974 | 14,907 | 59 | 4,524 | 2,895 | 10,450 |
| Finance and insurance..... | 85,896 | 30,812 | 30,130 | 660 | 4,438 | 2,831 | 26,374 |
| Real estate and rental and leasing..... | 1,946 | 687 | 679 | 6 | 110 | 3 | 577 |
| Professional, scientific, and technical services..... | 7,001 | 2,445 | 2,443 | 15 | 563 | 472 | 1,882 |
| Management of companies (holding companies)..... | 72,732 | 25,454 | 25,417 | 36 | 5,035 | 3,724 | 20,397 |
| Administrative and support and waste management and remediation services..... | 4,516 | 1,597 | 1,576 | 8 | 413 | 346 | 1,184 |
| Educational services..... | 513 | 179 | 179 | -- | 2 | 2 | 177 |
| Health care and social assistance..... | 3,853 | 1,347 | 1,345 | 2 | 26 | 6 | 1,321 |
| Arts, entertainment, and recreation..... | 593 | 210 | 207 | 3 | 37 | 31 | 173 |
| Accommodation and food services..... | 6,231 | 2,215 | 2,178 | 34 | 564 | 382 | 1,651 |
| Other services..... | 827 | 290 | 289 | 1 | 22 | 19 | 267 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Percentages | | | | | Total liabilities divided by net worth |
|---|------------------------------------|---|-------------------------|------------------------|--------------|--|
| | Number of returns with net income | Number of returns with total income tax after credits | Current liabilities | Noncurrent liabilities | Net worth | |
| | Divided by total number of returns | | Divided by total assets | | | |
| | (43) | (44) | (45) | (46) | (47) | (48) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | |
| All industries | 54.53 | 46.10 | 42.39 | 31.08 | 26.53 | 276.93 |
| Agriculture, forestry, fishing, and hunting | 35.71 | 28.57 | 18.42 | 45.74 | 35.84 | 179.00 |
| Mining..... | 58.93 | 44.64 | 19.18 | 23.20 | 57.62 | 73.56 |
| Utilities..... | 52.94 | 47.06 | 26.62 | 53.54 | 19.84 | 404.07 |
| Construction..... | 55.56 | 41.67 | 43.34 | 36.82 | 19.84 | 404.05 |
| Manufacturing..... | 50.61 | 43.16 | 31.69 | 31.72 | 36.58 | 173.35 |
| Wholesale and retail trade | 60.64 | 51.10 | 47.41 | 25.65 | 26.94 | 271.15 |
| Wholesale trade..... | 61.76 | 52.28 | 48.93 | 24.89 | 26.18 | 282.03 |
| Retail trade..... | 53.33 | 42.50 | 42.14 | 28.26 | 29.60 | 237.86 |
| Transportation and warehousing..... | 52.33 | 47.67 | 21.85 | 49.73 | 28.43 | 251.76 |
| Information..... | 33.33 | 21.09 | 18.11 | 26.91 | 54.98 | 81.89 |
| Finance and insurance..... | 62.90 | 59.36 | 51.37 | 35.65 | 12.98 | 670.41 |
| Real estate and rental and leasing..... | 51.85 | 31.48 | 30.51 | 43.46 | 26.04 | 284.06 |
| Professional, scientific, and technical services..... | 47.55 | 35.66 | 38.15 | 14.79 | 47.05 | 112.52 |
| Management of companies (holding companies)..... | 72.94 | 63.53 | 73.31 | 14.17 | 12.51 | 699.27 |
| Administrative and support and waste management and remediation services..... | 43.18 | 43.18 | 29.91 | 42.21 | 27.87 | 258.75 |
| Educational services..... | ** | ** | 29.52 | 29.88 | 40.52 | 146.58 |
| Health care and social assistance..... | 43.75 | 25.00 | 13.65 | 41.63 | 44.72 | 123.61 |
| Arts, entertainment, and recreation..... | 45.45 | 45.45 | 53.38 | 27.23 | 19.39 | 415.78 |
| Accommodation and food services..... | 48.84 | 41.86 | 13.28 | 46.83 | 39.88 | 150.73 |
| Other services..... | 61.54 | 61.54 | 11.39 | 63.38 | 25.20 | 296.69 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | |
| All industries | 67.53 | 62.46 | 46.27 | 30.60 | 23.13 | 332.43 |
| Agriculture, forestry, fishing, and hunting | 65.52 | 54.02 | 27.26 | 36.47 | 36.26 | 175.76 |
| Mining..... | 64.06 | 52.08 | 9.68 | 42.22 | 48.10 | 107.89 |
| Utilities..... | 69.59 | 63.74 | 26.18 | 48.27 | 25.55 | 291.39 |
| Construction..... | 80.94 | 80.47 | 34.42 | 34.16 | 31.42 | 218.26 |
| Manufacturing..... | 57.44 | 52.00 | 32.85 | 31.06 | 36.09 | 177.06 |
| Wholesale and retail trade | 74.99 | 70.23 | 33.59 | 28.81 | 37.60 | 165.98 |
| Wholesale trade..... | 75.69 | 70.37 | 34.45 | 28.06 | 37.49 | 166.73 |
| Retail trade..... | 74.30 | 70.15 | 33.02 | 29.31 | 37.67 | 165.48 |
| Transportation and warehousing..... | 55.99 | 47.60 | 21.34 | 48.00 | 30.66 | 226.18 |
| Information..... | 39.15 | 31.71 | 22.14 | 37.09 | 40.77 | 145.25 |
| Finance and insurance..... | 74.92 | 72.84 | 47.77 | 37.90 | 14.32 | 598.21 |
| Real estate and rental and leasing..... | 45.28 | 38.36 | 25.34 | 49.32 | 25.34 | 294.65 |
| Professional, scientific, and technical services..... | 54.93 | 48.31 | 33.33 | 24.28 | 42.39 | 135.91 |
| Management of companies (holding companies)..... | 95.11 | 93.63 | 71.02 | 14.41 | 14.57 | 586.43 |
| Administrative and support and waste management and remediation services..... | 56.96 | 49.68 | 29.68 | 39.21 | 31.12 | 221.37 |
| Educational services..... | 65.71 | 60.00 | 32.49 | 13.54 | 53.99 | 85.25 |
| Health care and social assistance..... | 57.17 | 42.83 | 20.16 | 45.68 | 34.16 | 192.75 |
| Arts, entertainment, and recreation..... | 56.45 | 46.77 | 17.31 | 54.95 | 27.73 | 260.57 |
| Accommodation and food services..... | 60.40 | 50.80 | 14.55 | 50.14 | 35.31 | 183.21 |
| Other services..... | 46.91 | 43.21 | 19.69 | 52.12 | 28.18 | 254.81 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Percentages--Continued | | | | | |
|--|--|--|--|--|--------------|-------------------|
| | Total receipts divided by total assets | Cost of goods sold divided by business receipts | Interest paid divided by total receipts | Total receipts less total deductions divided by | | |
| | | | | Total assets | Net worth | Total receipts |
| | (49) | (50) | (51) | (52) | (53) | (54) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | |
| All industries | 37.35 | 70.42 | 7.45 | 0.15 | 0.56 | 0.40 |
| Agriculture, forestry, fishing, and hunting | 109.64 | 79.43 | 3.77 | -1.51 | -4.20 | -1.37 |
| Mining..... | 25.00 | 61.90 | 8.73 | 0.60 | 1.04 | 2.41 |
| Utilities..... | 32.79 | 68.26 | 8.98 | -0.19 | -0.95 | -0.57 |
| Construction..... | 104.90 | 84.79 | 1.57 | -1.35 | -6.79 | -1.28 |
| Manufacturing..... | 58.88 | 72.77 | 4.34 | 0.32 | 0.87 | 0.54 |
| Wholesale and retail trade | 166.48 | 80.90 | 1.62 | 0.62 | 2.30 | 0.37 |
| Wholesale trade..... | 173.13 | 83.01 | 1.52 | 0.87 | 3.34 | 0.50 |
| Retail trade..... | 143.47 | 72.07 | 2.05 | -0.27 | -0.90 | -0.19 |
| Transportation and warehousing..... | 80.23 | 33.42 | 5.05 | -0.25 | -0.89 | -0.32 |
| Information..... | 13.72 | 43.83 | 13.37 | -0.78 | -1.43 | -5.71 |
| Finance and insurance..... | 14.22 | 53.73 | 22.19 | 0.15 | 1.17 | 1.07 |
| Real estate and rental and leasing..... | 26.92 | 27.14 | 12.75 | 0.24 | 0.92 | 0.89 |
| Professional, scientific, and technical services..... | 47.54 | 42.78 | 2.72 | -1.43 | -3.04 | -3.01 |
| Management of companies (holding companies)..... | 6.95 | 2.29 | 45.53 | 0.65 | 5.17 | 9.30 |
| Administrative and support and waste management and remediation services..... | 80.99 | 59.22 | 4.30 | -0.68 | -2.45 | -0.84 |
| Educational services..... | 49.78 | 34.85 | 4.25 | 0.22 | 0.54 | 0.44 |
| Health care and social assistance..... | 63.92 | 39.75 | 5.47 | -0.14 | -0.31 | -0.21 |
| Arts, entertainment, and recreation..... | 70.92 | 24.74 | 5.77 | -2.46 | -12.67 | -3.46 |
| Accommodation and food services..... | 46.47 | 47.45 | 4.56 | 0.70 | 1.75 | 1.50 |
| Other services..... | 58.74 | 41.14 | 11.10 | -2.14 | -8.48 | -3.64 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | |
| All industries | 36.23 | 63.42 | 7.82 | 0.94 | 4.06 | 2.59 |
| Agriculture, forestry, fishing, and hunting | 92.01 | 77.26 | 3.03 | 3.64 | 10.03 | 3.95 |
| Mining..... | 36.59 | 55.48 | 6.34 | 1.53 | 3.19 | 4.19 |
| Utilities..... | 70.98 | 79.62 | 3.92 | 1.09 | 4.28 | 1.54 |
| Construction..... | 148.92 | 78.00 | 1.66 | 5.73 | 18.23 | 3.85 |
| Manufacturing..... | 58.27 | 69.81 | 4.48 | 1.37 | 3.81 | 2.36 |
| Wholesale and retail trade | 185.24 | 76.87 | 1.38 | 3.43 | 9.13 | 1.85 |
| Wholesale trade..... | 175.81 | 83.96 | 1.60 | 1.97 | 5.25 | 1.12 |
| Retail trade..... | 191.53 | 72.50 | 1.24 | 4.41 | 11.70 | 2.30 |
| Transportation and warehousing..... | 73.81 | 22.82 | 3.31 | -1.90 | -6.20 | -2.58 |
| Information..... | 31.65 | 22.59 | 8.18 | -0.30 | -0.75 | -0.96 |
| Finance and insurance..... | 17.62 | 63.64 | 16.09 | 0.73 | 5.10 | 4.14 |
| Real estate and rental and leasing..... | 61.96 | 29.98 | 8.15 | -0.68 | -2.67 | -1.09 |
| Professional, scientific, and technical services..... | 80.47 | 32.81 | 2.49 | -0.65 | -1.53 | -0.81 |
| Management of companies (holding companies)..... | 8.48 | 11.12 | 36.38 | 0.90 | 6.20 | 10.65 |
| Administrative and support and waste management and remediation services..... | 88.76 | 41.96 | 3.16 | 2.11 | 6.79 | 2.38 |
| Educational services..... | 99.55 | 20.31 | 1.64 | 5.45 | 10.09 | 5.47 |
| Health care and social assistance..... | 104.99 | 23.84 | 3.28 | 1.16 | 3.40 | 1.11 |
| Arts, entertainment, and recreation..... | 59.69 | 18.14 | 9.19 | 0.02 | 0.06 | 0.03 |
| Accommodation and food services..... | 71.74 | 34.44 | 5.61 | 2.37 | 6.71 | 3.30 |
| Other services..... | 81.76 | 45.05 | 3.90 | 1.80 | 6.37 | 2.20 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Percentages--Continued | | | |
|--|---|--------------|-------------------|---|
| | Net income (less deficit) divided by | | | Net operating loss deduction divided by net income |
| | Total assets | Net worth | Total receipts | |
| | (55) | (56) | (57) | (58) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | |
| All industries | 0.21 | 0.80 | 0.57 | 13.20 |
| Agriculture, forestry, fishing, and hunting | -1.31 | -3.66 | -1.20 | 34.48 |
| Mining..... | 0.81 | 1.40 | 3.22 | 11.88 |
| Utilities..... | -0.13 | -0.65 | -0.39 | 19.91 |
| Construction..... | -1.30 | -6.57 | -1.24 | 17.57 |
| Manufacturing..... | 0.50 | 1.37 | 0.85 | 8.44 |
| Wholesale and retail trade | 0.65 | 2.39 | 0.39 | 13.39 |
| Wholesale trade..... | 0.91 | 3.46 | 0.52 | 13.95 |
| Retail trade..... | -0.25 | -0.86 | -0.18 | 10.42 |
| Transportation and warehousing..... | -0.24 | -0.84 | -0.30 | 13.88 |
| Information..... | -0.76 | -1.39 | -5.56 | 59.49 |
| Finance and insurance..... | 0.15 | 1.18 | 1.08 | 7.06 |
| Real estate and rental and leasing..... | 0.24 | 0.94 | 0.91 | 47.02 |
| Professional, scientific, and technical services..... | -1.37 | -2.92 | -2.89 | 27.13 |
| Management of companies (holding companies)..... | 0.67 | 5.36 | 9.65 | 8.09 |
| Administrative and support and waste management and remediation services..... | -0.64 | -2.30 | -0.79 | 71.39 |
| Educational services..... | 0.66 | 1.62 | 1.32 | -- |
| Health care and social assistance..... | -0.13 | -0.29 | -0.20 | 34.97 |
| Arts, entertainment, and recreation..... | -2.46 | -12.67 | -3.46 | 1.15 |
| Accommodation and food services..... | 0.72 | 1.80 | 1.54 | 30.78 |
| Other services..... | -2.03 | -8.06 | -3.46 | -- |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | |
| All industries | 1.06 | 4.60 | 2.94 | 5.45 |
| Agriculture, forestry, fishing, and hunting | 5.16 | 14.24 | 5.61 | 22.84 |
| Mining..... | 1.70 | 3.53 | 4.64 | 33.02 |
| Utilities..... | 1.18 | 4.60 | 1.66 | 7.16 |
| Construction..... | 5.72 | 18.19 | 3.84 | 5.22 |
| Manufacturing..... | 2.04 | 5.65 | 3.50 | 5.10 |
| Wholesale and retail trade | 3.63 | 9.66 | 1.96 | 5.23 |
| Wholesale trade..... | 2.30 | 6.12 | 1.31 | 14.07 |
| Retail trade..... | 4.52 | 12.01 | 2.36 | 1.79 |
| Transportation and warehousing..... | -1.83 | -5.98 | -2.49 | 12.22 |
| Information..... | -0.23 | -0.56 | -0.72 | 6.74 |
| Finance and insurance..... | 0.68 | 4.74 | 3.85 | 4.84 |
| Real estate and rental and leasing..... | -0.59 | -2.32 | -0.95 | 15.48 |
| Professional, scientific, and technical services..... | -0.50 | -1.18 | -0.62 | 10.84 |
| Management of companies (holding companies)..... | 0.88 | 6.03 | 10.36 | 0.68 |
| Administrative and support and waste management and remediation services..... | 2.21 | 7.11 | 2.49 | 4.90 |
| Educational services..... | 5.53 | 10.25 | 5.56 | 1.16 |
| Health care and social assistance..... | 1.12 | 3.28 | 1.07 | 12.15 |
| Arts, entertainment, and recreation..... | 0.02 | 0.06 | 0.03 | 24.76 |
| Accommodation and food services..... | 2.47 | 7.00 | 3.45 | 4.93 |
| Other services..... | 1.85 | 6.55 | 2.26 | 8.61 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

[Money amounts are in millions of dollars]

| Control status and industrial sectors | Percentages--Continued | | | | | |
|---|----------------------------------|-------------|----------------|---|-------------|----------------|
| | Income subject to tax divided by | | | Total income tax after credits divided by | | |
| | Total assets | Net worth | Total receipts | Total assets | Net worth | Total receipts |
| (59) | (60) | (61) | (62) | (63) | (64) | |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | |
| All industries | 1.12 | 4.24 | 3.01 | 0.32 | 1.20 | 0.85 |
| Agriculture, forestry, fishing, and hunting | 0.54 | 1.52 | 0.50 | 0.16 | 0.45 | 0.15 |
| Mining..... | 1.65 | 2.87 | 6.61 | 0.29 | 0.51 | 1.18 |
| Utilities..... | 0.50 | 2.50 | 1.51 | 0.15 | 0.76 | 0.46 |
| Construction..... | 2.12 | 10.70 | 2.02 | 0.71 | 3.59 | 0.68 |
| Manufacturing..... | 2.00 | 5.47 | 3.40 | 0.49 | 1.34 | 0.83 |
| Wholesale and retail trade | 2.43 | 9.02 | 1.46 | 0.80 | 2.98 | 0.48 |
| Wholesale trade..... | 2.62 | 9.99 | 1.51 | 0.86 | 3.29 | 0.50 |
| Retail trade..... | 1.78 | 6.03 | 1.24 | 0.60 | 2.02 | 0.42 |
| Transportation and warehousing..... | 1.57 | 5.51 | 1.95 | 0.49 | 1.73 | 0.61 |
| Information..... | 0.26 | 0.47 | 1.88 | 0.09 | 0.16 | 0.66 |
| Finance and insurance..... | 0.62 | 4.77 | 4.35 | 0.21 | 1.61 | 1.47 |
| Real estate and rental and leasing..... | 0.73 | 2.80 | 2.71 | 0.27 | 1.02 | 0.99 |
| Professional, scientific, and technical services..... | 0.91 | 1.94 | 1.92 | 0.27 | 0.57 | 0.57 |
| Management of companies (holding companies)..... | 0.70 | 5.60 | 10.09 | 0.22 | 1.78 | 3.19 |
| Administrative and support and waste management and remediation services..... | 0.78 | 2.78 | 0.96 | 0.23 | 0.84 | 0.29 |
| Educational services..... | 1.60 | 3.96 | 3.22 | 0.22 | 0.54 | 0.44 |
| Health care and social assistance..... | 0.91 | 2.02 | 1.42 | 0.30 | 0.66 | 0.46 |
| Arts, entertainment, and recreation..... | 3.71 | 19.11 | 5.22 | 1.25 | 6.44 | 1.76 |
| Accommodation and food services..... | 0.78 | 1.96 | 1.69 | 0.16 | 0.41 | 0.35 |
| Other services..... | 2.63 | 10.43 | 4.48 | 0.81 | 3.22 | 1.38 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | |
| All industries | 1.63 | 7.05 | 4.50 | 0.42 | 1.80 | 1.15 |
| Agriculture, forestry, fishing, and hunting | 4.88 | 13.47 | 5.31 | 1.17 | 3.24 | 1.28 |
| Mining..... | 1.82 | 3.79 | 4.98 | 0.48 | 0.99 | 1.30 |
| Utilities..... | 1.76 | 6.89 | 2.48 | 0.52 | 2.05 | 0.74 |
| Construction..... | 6.61 | 21.05 | 4.44 | 2.25 | 7.17 | 1.51 |
| Manufacturing..... | 2.98 | 8.25 | 5.11 | 0.55 | 1.51 | 0.94 |
| Wholesale and retail trade | 4.67 | 12.42 | 2.52 | 1.52 | 4.04 | 0.82 |
| Wholesale trade..... | 2.90 | 7.75 | 1.65 | 0.84 | 2.24 | 0.48 |
| Retail trade..... | 5.85 | 15.52 | 3.05 | 1.97 | 5.24 | 1.03 |
| Transportation and warehousing..... | 1.63 | 5.31 | 2.20 | 0.54 | 1.78 | 0.74 |
| Information..... | 1.82 | 4.46 | 5.74 | 0.45 | 1.09 | 1.41 |
| Finance and insurance..... | 0.86 | 6.01 | 4.88 | 0.26 | 1.84 | 1.50 |
| Real estate and rental and leasing..... | 1.52 | 6.01 | 2.46 | 0.45 | 1.78 | 0.73 |
| Professional, scientific, and technical services..... | 3.13 | 7.38 | 3.89 | 0.84 | 1.98 | 1.05 |
| Management of companies (holding companies)..... | 0.88 | 6.03 | 10.36 | 0.25 | 1.69 | 2.91 |
| Administrative and support and waste management and remediation services..... | 3.17 | 10.20 | 3.58 | 0.83 | 2.67 | 0.94 |
| Educational services..... | 7.41 | 13.73 | 7.45 | 2.56 | 4.74 | 2.57 |
| Health care and social assistance..... | 2.87 | 8.40 | 2.73 | 0.98 | 2.88 | 0.94 |
| Arts, entertainment, and recreation..... | 1.85 | 6.68 | 3.11 | 0.54 | 1.95 | 0.91 |
| Accommodation and food services..... | 3.15 | 8.93 | 4.39 | 0.84 | 2.37 | 1.16 |
| Other services..... | 2.86 | 10.15 | 3.50 | 0.92 | 3.28 | 1.13 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2001

Table 4.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sectors, Tax Year 2001--Continued

Footnotes

** Not shown to avoid disclosure of information about specific corporations.

¹ Excludes interest received on State and local government obligations, which totaled \$18.7 billion for large domestic corporations not foreign-controlled, and \$0.9 billion for large foreign-controlled domestic corporations.

² Less than \$500,000.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance and insurance, and management of companies sectors). Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Percentages were calculated using rounded data. Detail may not add to totals because of rounding.