

Partnerships and Sole Proprietorships, by State, for Tax Year 2007

by Linda Morey

This article presents State-level data from partnership and sole proprietorship tax returns that have been tabulated by the Bureau of Economic Analysis (BEA) for the Statistics of Income Division (SOI) of the Internal Revenue Service (IRS). The geographic distribution of selected variables from Form 1065 for partnership returns and Form 1040 Schedule C for sole proprietorship returns is compared to the U.S. population distribution.

SOI uses partnership and proprietorship tabulations as it prepares and publishes statistics on the operations of the Internal Revenue laws. BEA uses geographic coding data obtained from the Nonemployer Statistics program at the Census Bureau to assign tax records to the proper States based on Zip Codes of the filing addresses contained in the IRS record extracts.¹ The Zip Code is shown on the first page of Form 1065 for partnerships and the first page of Form 1040 for sole proprietorship (Schedule C) filers. These Zip Codes reflect only the filing address and therefore do not necessarily reflect the exact location of the business activity for the partnership or sole proprietorship. In addition, some partnerships and sole proprietorships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the business offices were located. Any data associated with frequencies of less than three are suppressed to ensure that they pose no disclosure risk.

BEA then tabulates selected items from the returns for SOI by State for partnerships and sole proprietorships. No statistical tabulations or research results are released which would potentially reveal identifiable information about individuals, employers, or establishments.² Throughout this article, use of the term “U.S. population” refers to population data from the U.S. Census Bureau, and use of the term “population” extracts refers to extracts from IRS population files of tax returns. In addition, the

BEA- tabulated data are based on these unedited population extracts. Consequently, the U.S. totals for the data included in this article do not match other published SOI totals that are estimates based on edited stratified probability samples of partnership and sole proprietorships.

Partnership Returns, by State

Form 1065 is filed by most limited liability companies (LLCs), as well as by partnerships. BEA tabulates the total number of partnership returns and two variables from partnership returns to the State level—gross receipts and ordinary income. Gross receipts are tabulated from data reported on line 1c of Form 1065. This includes gross receipts from line 1a minus returns and allowances reported on line 1b. Ordinary income (loss) is tabulated from data reported on line 22 of Form 1065. It includes total income or loss (line 8) minus total deductions (line 21).³

For Tax Year 2007, the States having the highest number of partnership returns were California, Texas, New York, and Florida. Together, these four States comprised 31.9 percent of all partnership returns and 32.5 percent of the U.S. population (Table 1). Texas, with gross receipts of \$783.8 billion, and New York, with gross receipts of \$700.1 billion, together accounted for 35.4 percent of partnership gross receipts for the U.S. compared to a combined 14.4 percent of the U.S. population (Table 2). In ordinary income, Texas stood out as the highest with \$56.3 billion, which was 18.9 percent of the total for the nation. New York and California ranked second and third with 11.1 percent and 10.1 percent of the U.S., respectively. When the share of ordinary income is compared to the share of U.S. population, Texas stood out as having the largest difference with a 18.9 percent-share of U.S. ordinary income and a 7.9-percent share of the U.S. population (Table 3).

Figures A, B, and C show the highest ranking States in each category for partnerships as a percentage of the nation compared to population as a percentage of the nation.

Linda Morey is an economist in the Regional Income Division of the Bureau of Economic Analysis.

¹ The Zip Code is shown on the first page of Form 1065 for partnerships and the first page of Form 1040 for sole proprietorship (Schedule C) filers. These Zip Codes reflect only the filing address and therefore do not necessarily reflect the exact location of the business activity for the partnership or sole proprietorship. In addition, some partnerships and sole proprietorships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the business offices were located.

² For a more detailed statement of the sources and methods used to produce BEA State and local area estimates of Personal Income, see the BEA Web site at <http://www.bea.gov/regional/methods.cfm>.

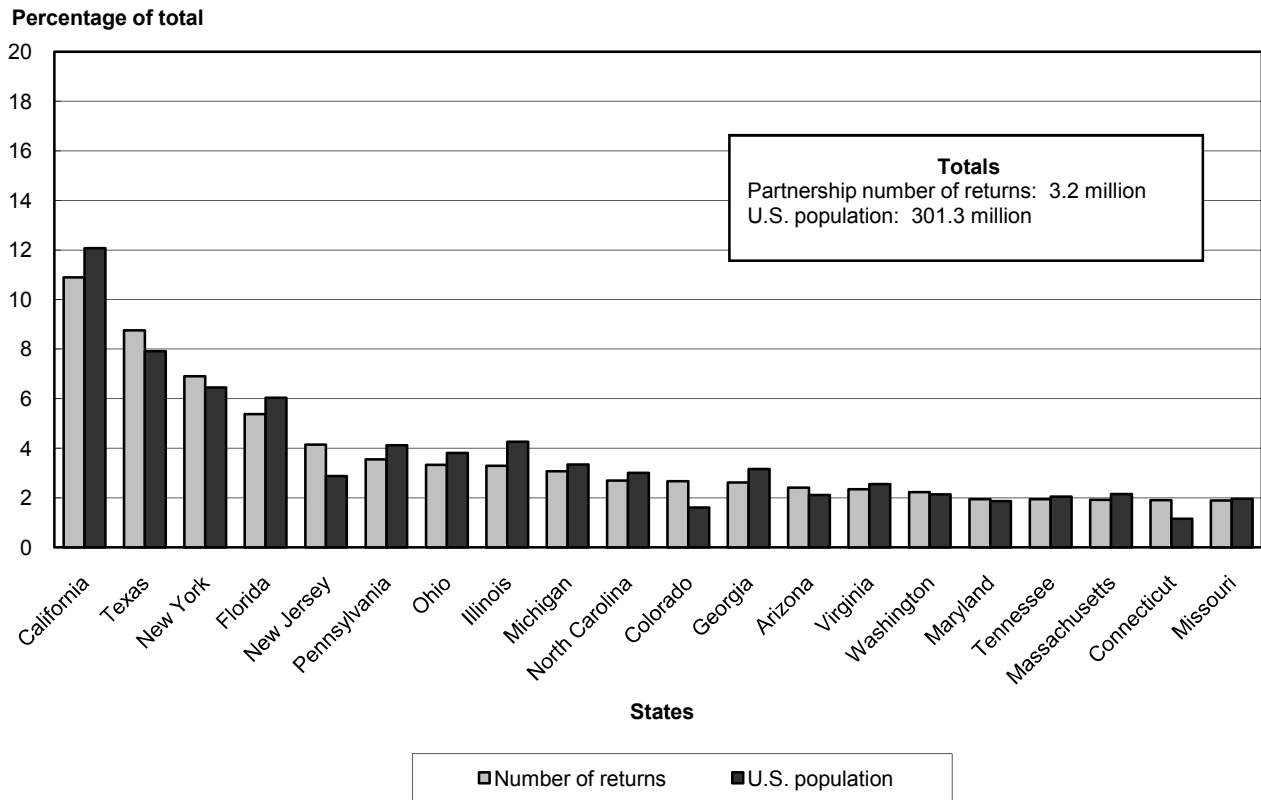
³ BEA-tabulated figures are based on unedited population extracts. U.S. totals for the variables included do not match published SOI totals which are estimates based on edited samples.

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Figure A

Partnership Number of Returns and U.S. Population, Percentage of Totals for States with Highest Number of Returns, Tax Year 2007



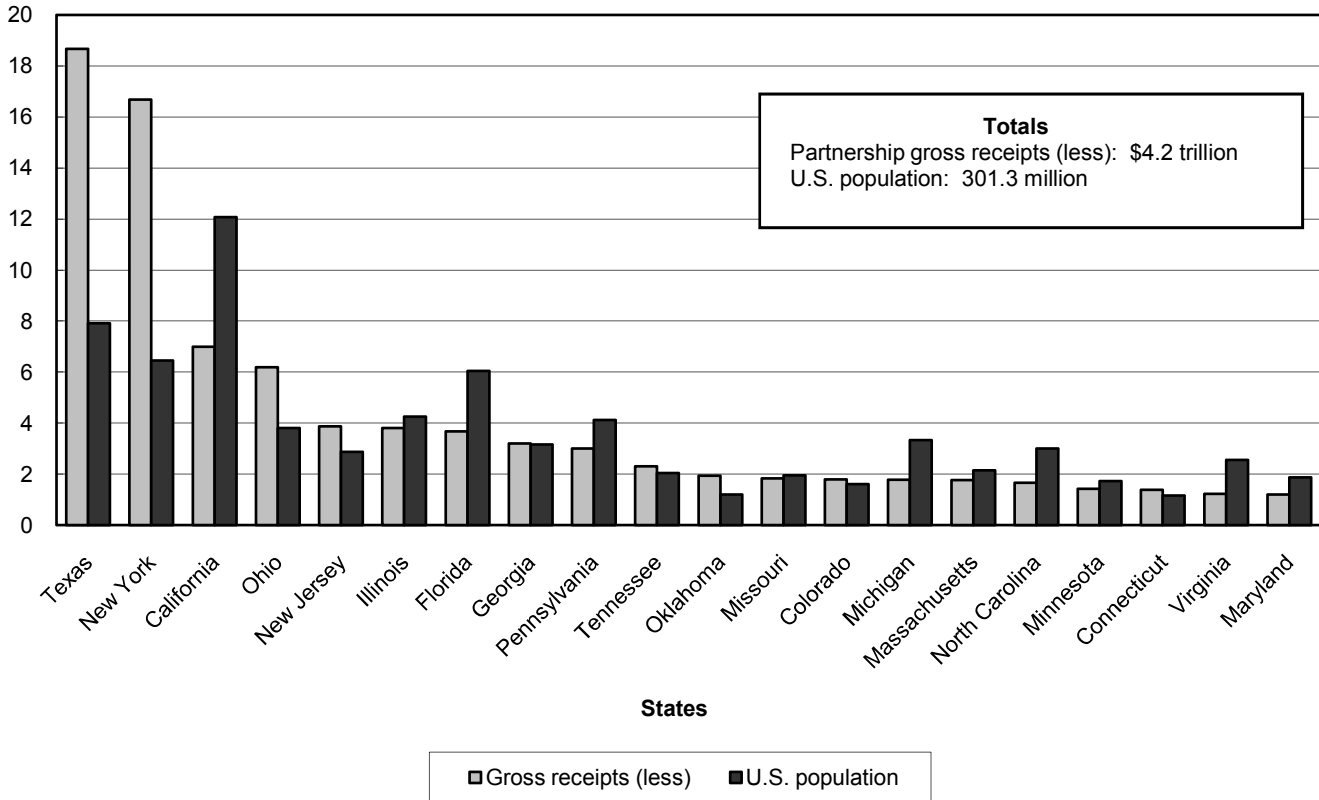
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Figure B

Partnership Gross Receipts (Less Returns and Allowances) and U.S. Population, Percentage of Totals for States with Highest Gross Receipts, Tax Year 2007

Percentage of total



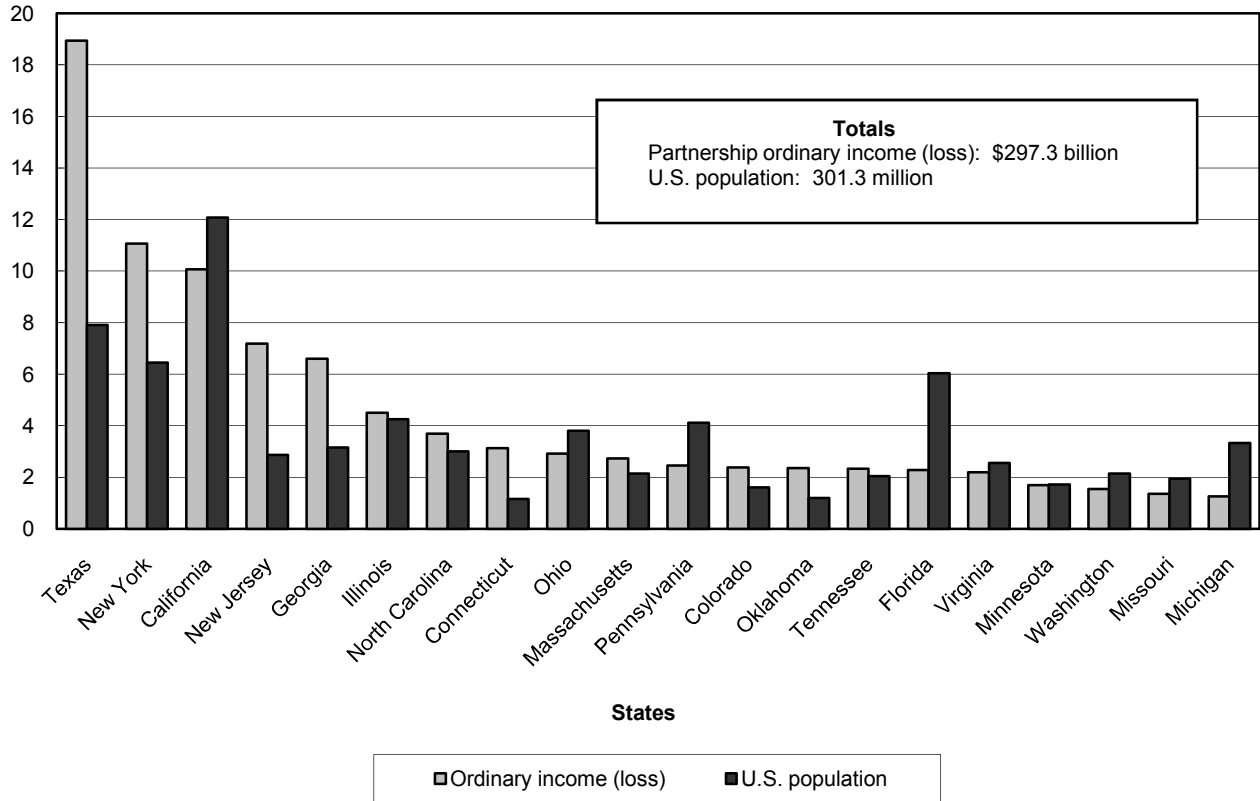
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Figure C

Partnership Ordinary Income (Loss) and U.S. Population, Percentage of Totals for States with Highest Ordinary Income, Tax Year 2007

Percentage of total



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Sole Proprietorship Returns, by State

BEA tabulates the total number of sole proprietorship returns and two variables from sole proprietorship returns to the State level—gross receipts (less returns and allowances) and net profit or loss.^{4,5} Gross receipts from sole proprietorships are tabulated from line 3 of Form 1040 Schedule C. This is calculated as gross receipts or sales (line 1) minus returns and allowances (line 2). Net profit or loss is tabulated from line 31 of Form 1040 Schedule C. Net profit or loss equals gross income (line 7) minus total expenses (line 28) and expenses for business use of a home (line 30).

The number of Schedule C returns mirrored the distribution of population in the U.S. The four States with the highest number of Schedule C returns and also the highest population were California, Texas, New York, and Florida which together accounted for 34.9 percent of all returns and 32.5 percent of the

population (Table 4). The same States also had the highest gross receipts and net profit, with a combined share of 36.7 percent of gross receipts and 38.7 percent of net profit (Tables 5 and 6).

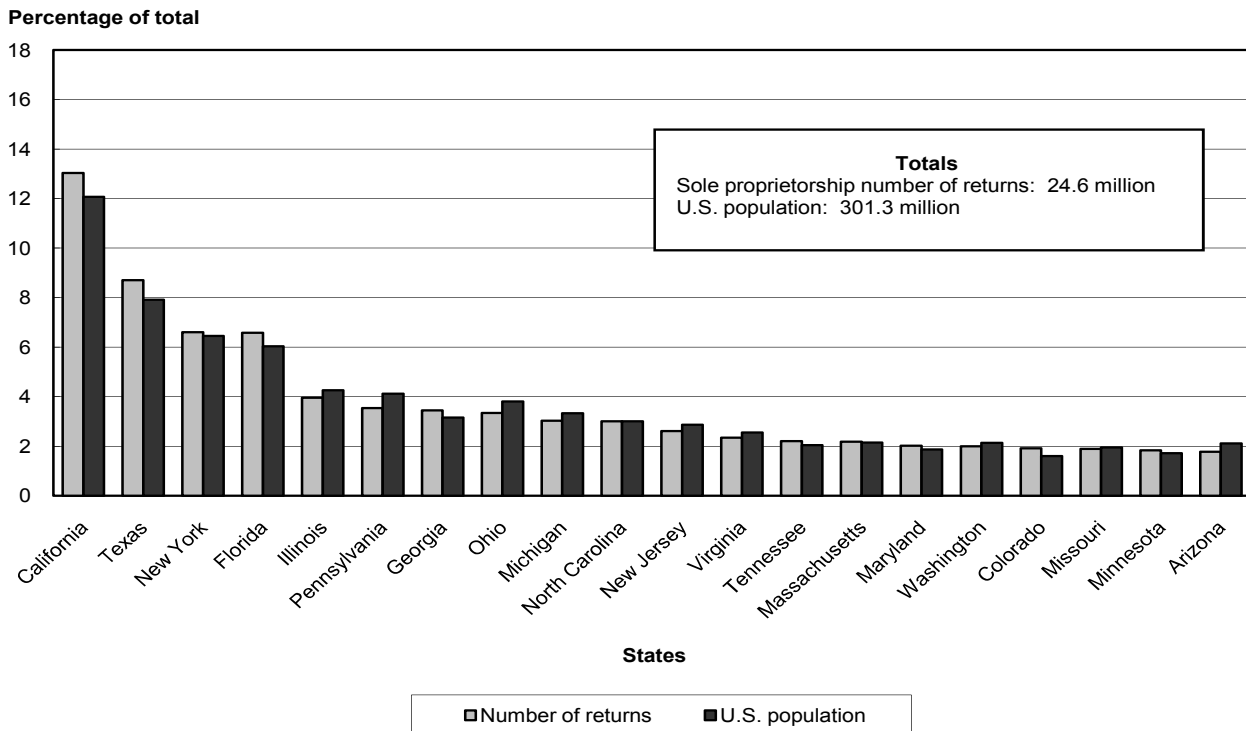
Figures D, E, and F show the highest ranking States in each category for sole proprietorships as a percentage of the nation compared to population as a percentage of the nation.

Future Research

This article is part of an ongoing series of articles examining geographic data for partnerships and sole proprietorships. For Tax Year 2007, BEA refined the processing of the unedited population extracts in order to reduce the number of unidentifiable records and improve the accuracy of geographic tabulation. This has allowed improved geographic detail in these tabulations. Future expansion of these tabulations will concentrate on geographic detail for industrial sectors.

Figure D

Sole Proprietorship Number of Returns and U.S. Population, Percentage of Totals for States with Highest Number of Returns, Tax Year 2007



⁴ Sole proprietors report business income or loss on Form 1040 Schedule C. BEA tabulates the number of sole proprietorship returns as the number of Schedule C forms filed for a given tax year.

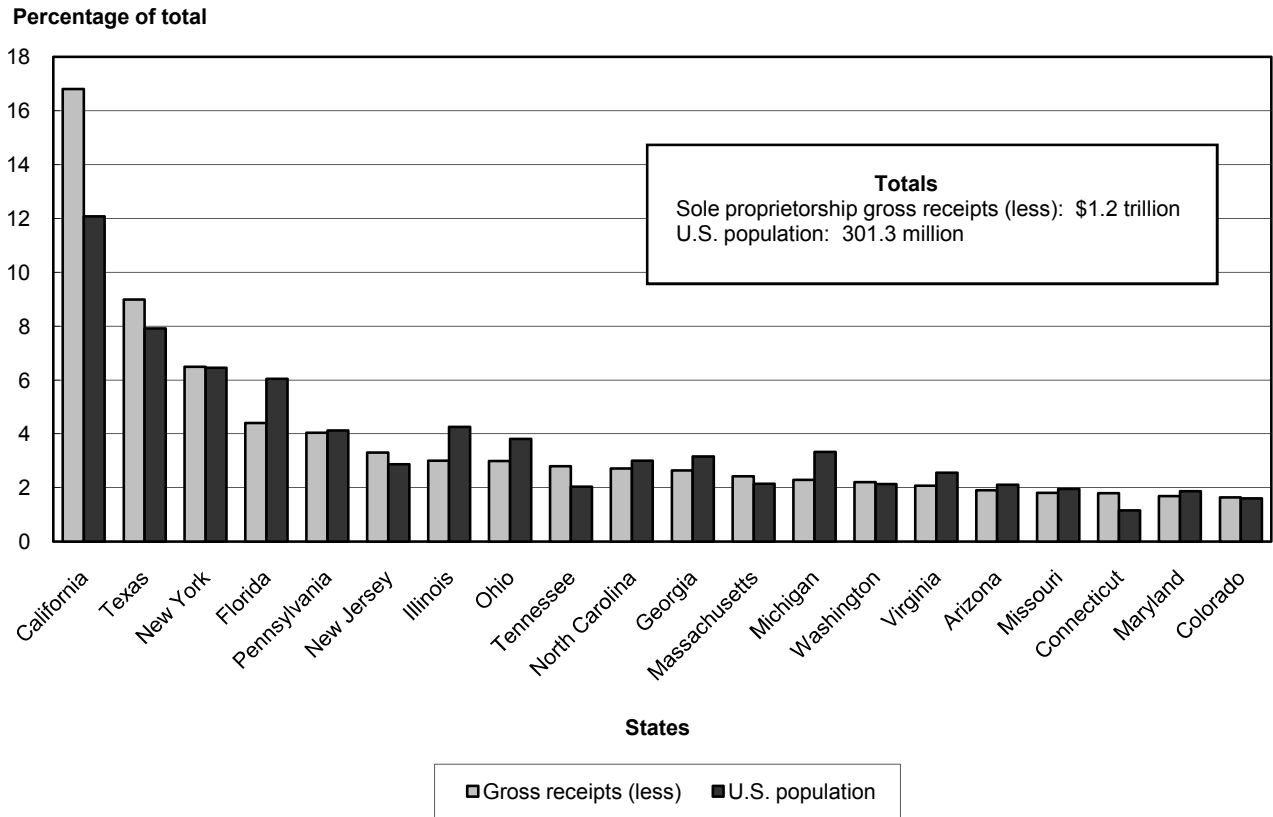
⁵ In addition, the BEA tabulated data are based on these unedited population extracts. Consequently, the U.S. totals for the data included in this article do not match other published SOI totals which are estimates based on edited stratified probability samples of partnership and sole proprietorships.

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Figure E

Sole Proprietorship Gross Receipts (Less Returns and Allowances) and U.S. Population, Percentage of Totals for States with Highest Gross Receipts, Tax Year 2007

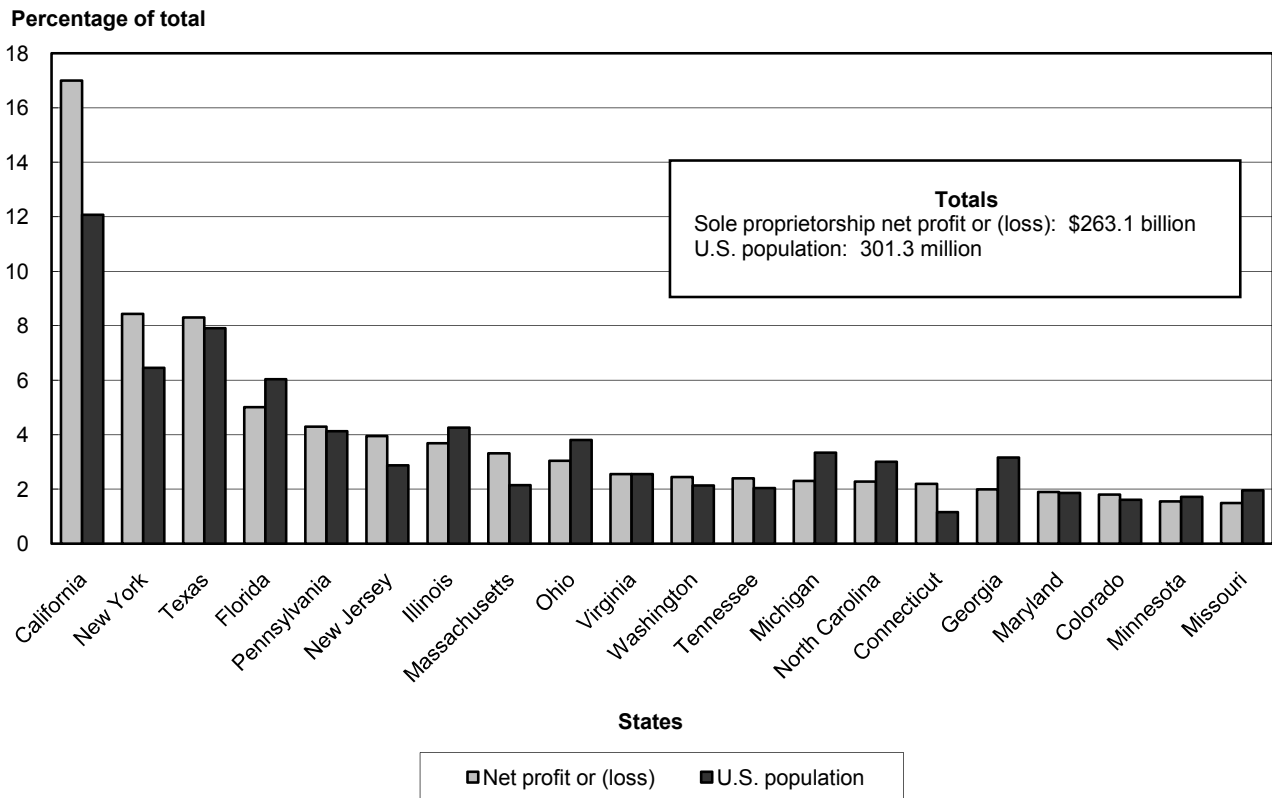


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Figure F

Sole Proprietorship Net Profit or (Loss) and U.S. Population, Percentage of Totals for States with Highest Net Profit, Tax Year 2007



Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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Table 1. Partnerships: Number of Returns by State, Rank Compared to U.S. Population, Tax Year 2007

[Number of returns figures are based on tabulations of Form 1065]

State	Number of returns			Population [1]		
	Rank	Number	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	N/A	3,183,882	100.00	N/A	301,290,332	100.00
California	1	346,827	10.89	1	36,377,534	12.07
Texas	2	278,854	8.76	2	23,843,432	7.91
New York	3	219,644	6.90	3	19,429,316	6.45
Florida	4	171,042	5.37	4	18,199,526	6.04
New Jersey	5	132,049	4.15	11	8,653,126	2.87
Pennsylvania	6	112,829	3.54	6	12,419,930	4.12
Ohio	7	106,074	3.33	7	11,477,641	3.81
Illinois	8	104,761	3.29	5	12,825,809	4.26
Michigan	9	97,809	3.07	8	10,049,790	3.34
North Carolina	10	85,880	2.70	10	9,041,594	3.00
Colorado	11	84,967	2.67	22	4,842,770	1.61
Georgia	12	83,296	2.62	9	9,523,297	3.16
Arizona	13	76,653	2.41	15	6,353,421	2.11
Virginia	14	74,645	2.34	12	7,698,775	2.56
Washington	15	70,803	2.22	14	6,449,511	2.14
Maryland	16	61,917	1.94	19	5,618,899	1.86
Tennessee	17	61,721	1.94	17	6,149,116	2.04
Massachusetts	18	61,209	1.92	13	6,467,915	2.15
Connecticut	19	60,602	1.90	29	3,489,868	1.16
Missouri	20	60,048	1.89	18	5,878,399	1.95
Utah	21	58,442	1.84	34	2,668,925	0.89
Wisconsin	22	58,232	1.83	20	5,598,893	1.86
Minnesota	23	56,440	1.77	21	5,182,360	1.72
Indiana	24	50,437	1.58	16	6,335,862	2.10
Louisiana	25	49,401	1.55	25	4,373,310	1.45
Nevada	26	44,352	1.39	35	2,554,344	0.85
Oregon	27	43,780	1.38	27	3,735,549	1.24
South Carolina	28	42,804	1.34	24	4,404,914	1.46
Alabama	29	41,437	1.30	23	4,626,595	1.54
Oklahoma	30	37,838	1.19	28	3,608,123	1.20
Kentucky	31	37,817	1.19	26	4,236,308	1.41
Iowa	32	31,318	0.98	30	2,983,360	0.99
Kansas	33	30,570	0.96	33	2,777,382	0.92
Arkansas	34	25,334	0.80	32	2,830,557	0.94
Idaho	35	23,206	0.73	39	1,496,145	0.50
Mississippi	36	22,946	0.72	31	2,921,030	0.97
Nebraska	37	20,675	0.65	38	1,769,473	0.59
New Mexico	38	17,945	0.56	36	1,964,402	0.65
Montana	39	16,004	0.50	44	956,624	0.32
New Hampshire	40	14,774	0.46	41	1,312,256	0.44
Delaware	41	13,055	0.41	45	861,953	0.29
West Virginia	42	12,371	0.39	37	1,809,836	0.60
Wyoming	43	11,256	0.35	51	523,252	0.17
South Dakota	44	10,987	0.35	46	795,689	0.26
Maine	45	10,688	0.34	40	1,315,398	0.44
Hawaii	46	10,316	0.32	42	1,277,356	0.42
Rhode Island	47	9,894	0.31	43	1,053,136	0.35
North Dakota	48	9,348	0.29	48	637,904	0.21
District of Columbia	49	8,477	0.27	50	587,868	0.20
Alaska	50	6,307	0.20	47	681,111	0.23
Vermont	51	5,801	0.18	49	620,748	0.21

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1065 is entitled "U.S. Return of Partnership Income." Returns are assigned to States by Zip Code. Unidentifiable zipcodes and zipcodes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the partnership. In addition, some partnerships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the partnerships' business offices were located.

Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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Table 2. Partnerships: Gross Receipts (Less Returns and Allowances) by State, Rank Compared to U.S. Population, Tax Year 2007

[Gross receipts figures are based on tabulations of Form 1065—money amounts are in thousands of dollars]

State	Gross receipts (less returns and allowances)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	N/A	4,196,790,413	100.00	N/A	301,290,332	100.00
Texas	1	783,797,540	18.68	2	23,843,432	7.91
New York	2	700,116,471	16.68	3	19,429,316	6.45
California	3	293,530,016	6.99	1	36,377,534	12.07
Ohio	4	259,472,142	6.18	7	11,477,641	3.81
New Jersey	5	162,551,997	3.87	11	8,653,126	2.87
Illinois	6	159,914,267	3.81	5	12,825,809	4.26
Florida	7	153,920,203	3.67	4	18,199,526	6.04
Georgia	8	134,448,979	3.20	9	9,523,297	3.16
Pennsylvania	9	125,922,187	3.00	6	12,419,930	4.12
Tennessee	10	96,540,196	2.30	17	6,149,116	2.04
Oklahoma	11	80,996,166	1.93	28	3,608,123	1.20
Missouri	12	76,615,206	1.83	18	5,878,399	1.95
Colorado	13	74,942,896	1.79	22	4,842,770	1.61
Michigan	14	74,616,932	1.78	8	10,049,790	3.34
Massachusetts	15	74,191,780	1.77	13	6,467,915	2.15
North Carolina	16	69,500,912	1.66	10	9,041,594	3.00
Minnesota	17	59,948,570	1.43	21	5,182,360	1.72
Connecticut	18	58,275,242	1.39	29	3,489,868	1.16
Virginia	19	51,470,586	1.23	12	7,698,775	2.56
Maryland	20	50,449,084	1.20	19	5,618,899	1.86
Arizona	21	48,914,762	1.17	15	6,353,421	2.11
Washington	22	47,897,943	1.14	14	6,449,511	2.14
Indiana	23	44,961,740	1.07	16	6,335,862	2.10
Kentucky	24	39,760,739	0.95	26	4,236,308	1.41
Kansas	25	39,744,267	0.95	33	2,777,382	0.92
Louisiana	26	37,701,177	0.90	25	4,373,310	1.45
Wisconsin	27	33,851,033	0.81	20	5,598,893	1.86
Utah	28	33,438,522	0.80	34	2,668,925	0.89
Nebraska	29	31,627,485	0.75	38	1,769,473	0.59
Alabama	30	29,731,866	0.71	23	4,626,595	1.54
Idaho	31	28,488,526	0.68	39	1,496,145	0.50
Oregon	32	26,256,905	0.63	27	3,735,549	1.24
Nevada	33	26,142,770	0.62	35	2,554,344	0.85
Iowa	34	22,999,758	0.55	30	2,983,360	0.99
Delaware	35	22,896,677	0.55	45	861,953	0.29
South Carolina	36	21,698,759	0.52	24	4,404,914	1.46
Arkansas	37	18,868,835	0.45	32	2,830,557	0.94
District of Columbia	38	13,708,719	0.33	50	587,868	0.20
Mississippi	39	13,441,462	0.32	31	2,921,030	0.97
New Hampshire	40	11,543,690	0.28	41	1,312,256	0.44
New Mexico	41	9,201,642	0.22	36	1,964,402	0.65
Hawaii	42	7,826,887	0.19	42	1,277,356	0.42
South Dakota	43	6,627,456	0.16	46	795,689	0.26
Rhode Island	44	6,553,096	0.16	43	1,053,136	0.35
Montana	45	5,722,083	0.14	44	956,624	0.32
West Virginia	46	5,424,921	0.13	37	1,809,836	0.60
Wyoming	47	5,159,104	0.12	51	523,252	0.17
North Dakota	48	4,881,855	0.12	48	637,904	0.21
Alaska	49	4,431,649	0.11	47	681,111	0.23
Maine	50	4,198,887	0.10	40	1,315,398	0.44
Vermont	51	1,865,826	0.04	49	620,748	0.21

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1065 is entitled "U.S. Return of Partnership Income." Returns are assigned to States by Zip Code. Unidentifiable zipcodes and zipcodes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the partnership. In addition, some partnerships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the partnerships' business offices were located.

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Table 3. Partnerships: Ordinary Income (Loss) by State, Rank Compared to U.S. Population, Tax Year 2007

[Ordinary income figures are based on tabulations of Form 1065—money amounts are in thousands of dollars]

State	Ordinary income (loss)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	N/A	297,328,389	100.00	N/A	301,290,332	100.00
Texas	1	56,313,755	18.94	2	23,843,432	7.91
New York	2	32,903,329	11.07	3	19,429,316	6.45
California	3	29,946,157	10.07	1	36,377,534	12.07
New Jersey	4	21,350,383	7.18	11	8,653,126	2.87
Georgia	5	19,611,200	6.60	9	9,523,297	3.16
Illinois	6	13,389,712	4.50	5	12,825,809	4.26
North Carolina	7	10,982,639	3.69	10	9,041,594	3.00
Connecticut	8	9,314,595	3.13	29	3,489,868	1.16
Ohio	9	8,672,763	2.92	7	11,477,641	3.81
Massachusetts	10	8,134,316	2.74	13	6,467,915	2.15
Pennsylvania	11	7,296,855	2.45	6	12,419,930	4.12
Colorado	12	7,082,764	2.38	22	4,842,770	1.61
Oklahoma	13	7,021,371	2.36	28	3,608,123	1.20
Tennessee	14	6,934,790	2.33	17	6,149,116	2.04
Florida	15	6,803,928	2.29	4	18,199,526	6.04
Virginia	16	6,531,603	2.20	12	7,698,775	2.56
Minnesota	17	5,047,957	1.70	21	5,182,360	1.72
Washington	18	4,602,924	1.55	14	6,449,511	2.14
Missouri	19	4,044,969	1.36	18	5,878,399	1.95
Michigan	20	3,754,844	1.26	8	10,049,790	3.34
Louisiana	21	3,326,730	1.12	25	4,373,310	1.45
Delaware	22	3,225,144	1.08	45	861,953	0.29
Maryland	23	3,044,043	1.02	19	5,618,899	1.86
District of Columbia	24	2,798,852	0.94	50	587,868	0.20
Wisconsin	25	2,234,182	0.75	20	5,598,893	1.86
Arizona	26	2,165,845	0.73	15	6,353,421	2.11
Kentucky	27	2,069,306	0.70	26	4,236,308	1.41
Indiana	28	1,902,117	0.64	16	6,335,862	2.10
Alabama	29	1,792,169	0.60	23	4,626,595	1.54
Arkansas	30	1,533,681	0.52	32	2,830,557	0.94
Iowa	31	1,354,886	0.46	30	2,983,360	0.99
Nevada	32	1,175,630	0.40	35	2,554,344	0.85
Nebraska	33	966,725	0.33	38	1,769,473	0.59
Idaho	34	965,520	0.32	39	1,496,145	0.50
New Hampshire	35	936,666	0.32	41	1,312,256	0.44
South Carolina	36	915,420	0.31	24	4,404,914	1.46
South Dakota	37	867,401	0.29	46	795,689	0.26
Utah	38	827,356	0.28	34	2,668,925	0.89
Montana	39	727,934	0.24	44	956,624	0.32
New Mexico	40	709,250	0.24	36	1,964,402	0.65
Oregon	41	662,864	0.22	27	3,735,549	1.24
Hawaii	42	510,801	0.17	42	1,277,356	0.42
Rhode Island	43	497,263	0.17	43	1,053,136	0.35
Wyoming	44	493,767	0.17	51	523,252	0.17
North Dakota	45	337,206	0.11	48	637,904	0.21
Mississippi	46	239,884	0.08	31	2,921,030	0.97
Maine	47	162,529	0.05	40	1,315,398	0.44
Vermont	48	126,086	0.04	49	620,748	0.21
West Virginia	49	125,326	0.04	37	1,809,836	0.60
Alaska	50	-2,301,350	-0.77	47	681,111	0.23
Kansas	51	-6,805,698	-2.29	33	2,777,382	0.92

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

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Table 4. Sole Proprietorships: Number of Returns by State, Rank Compared to U.S. Population, Tax Year 2007

[Number of returns figures are based on tabulations of Form 1040, Schedule C]

State	Number of returns			Population [1]		
	Rank	Number	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	N/A	24,643,537	100.00	N/A	301,290,332	100.00
California	1	3,211,650	13.03	1	36,377,534	12.07
Texas	2	2,146,364	8.71	2	23,843,432	7.91
New York	3	1,626,948	6.60	3	19,429,316	6.45
Florida	4	1,621,627	6.58	4	18,199,526	6.04
Illinois	5	974,303	3.95	5	12,825,809	4.26
Pennsylvania	6	873,567	3.54	6	12,419,930	4.12
Georgia	7	850,584	3.45	9	9,523,297	3.16
Ohio	8	824,906	3.35	7	11,477,641	3.81
Michigan	9	745,559	3.03	8	10,049,790	3.34
North Carolina	10	739,910	3.00	10	9,041,594	3.00
New Jersey	11	644,496	2.62	11	8,653,126	2.87
Virginia	12	578,234	2.35	12	7,698,775	2.56
Tennessee	13	543,334	2.20	17	6,149,116	2.04
Massachusetts	14	538,517	2.19	13	6,467,915	2.15
Maryland	15	498,555	2.02	19	5,618,899	1.86
Washington	16	490,700	1.99	14	6,449,511	2.14
Colorado	17	470,478	1.91	22	4,842,770	1.61
Missouri	18	466,034	1.89	18	5,878,399	1.95
Minnesota	19	451,840	1.83	21	5,182,360	1.72
Arizona	20	438,056	1.78	15	6,353,421	2.11
Indiana	21	436,443	1.77	16	6,335,862	2.10
Wisconsin	22	395,758	1.61	20	5,598,893	1.86
Alabama	23	364,580	1.48	23	4,626,595	1.54
Louisiana	24	339,372	1.38	25	4,373,310	1.45
South Carolina	25	330,734	1.34	24	4,404,914	1.46
Kentucky	26	313,640	1.27	26	4,236,308	1.41
Oklahoma	27	311,872	1.27	28	3,608,123	1.20
Oregon	28	309,664	1.26	27	3,735,549	1.24
Connecticut	29	295,684	1.20	29	3,489,868	1.16
Iowa	30	246,319	1.00	30	2,983,360	0.99
Kansas	31	226,107	0.92	33	2,777,382	0.92
Arkansas	32	220,593	0.90	32	2,830,557	0.94
Mississippi	33	216,709	0.88	31	2,921,030	0.97
Utah	34	206,128	0.84	34	2,668,925	0.89
Nevada	35	182,731	0.74	35	2,554,344	0.85
New Mexico	36	149,984	0.61	36	1,964,402	0.65
Nebraska	37	148,032	0.60	38	1,769,473	0.59
Idaho	38	136,699	0.55	39	1,496,145	0.50
Maine	39	134,326	0.55	40	1,315,398	0.44
New Hampshire	40	123,997	0.50	41	1,312,256	0.44
Hawaii	41	112,199	0.46	42	1,277,356	0.42
West Virginia	42	110,455	0.45	37	1,809,836	0.60
Montana	43	97,980	0.40	44	956,624	0.32
Rhode Island	44	78,238	0.32	43	1,053,136	0.35
South Dakota	45	71,974	0.29	46	795,689	0.26
Vermont	46	70,080	0.28	49	620,748	0.21
Alaska	47	65,818	0.27	47	681,111	0.23
North Dakota	48	56,534	0.23	48	637,904	0.21
Delaware	49	56,487	0.23	45	861,953	0.29
Wyoming	50	50,498	0.20	51	523,252	0.17
District of Columbia	51	48,240	0.20	50	587,868	0.20

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1040, Schedule C is entitled "Profit or Loss From Business (Sole Proprietorship)." Returns are assigned to States by Zip Code. Unidentifiable Zip Codes and Zip Codes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the sole proprietorship. In addition, some sole proprietorships may have also used on address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the sole proprietorships' business offices were located.

Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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Table 5. Sole Proprietorships: Gross Receipts (Less Returns and Allowances) by State, Rank Compared to U.S. Population, Tax Year 2007

[Gross receipts figures are based on tabulations of Form 1040, Schedule C—money amounts are in thousands of dollars]

State	Gross receipts (less returns and allowances)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	N/A	1,205,229,264	100.00	N/A	301,290,332	100.00
California	1	202,560,677	16.81	1	36,377,534	12.07
Texas	2	108,315,947	8.99	2	23,843,432	7.91
New York	3	78,281,542	6.50	3	19,429,316	6.45
Florida	4	53,077,592	4.40	4	18,199,526	6.04
Pennsylvania	5	48,762,651	4.05	6	12,419,930	4.12
New Jersey	6	39,816,853	3.30	11	8,653,126	2.87
Illinois	7	36,267,645	3.01	5	12,825,809	4.26
Ohio	8	36,074,950	2.99	7	11,477,641	3.81
Tennessee	9	33,779,453	2.80	17	6,149,116	2.04
North Carolina	10	32,778,981	2.72	10	9,041,594	3.00
Georgia	11	31,798,117	2.64	9	9,523,297	3.16
Massachusetts	12	29,192,883	2.42	13	6,467,915	2.15
Michigan	13	27,697,258	2.30	8	10,049,790	3.34
Washington	14	26,555,207	2.20	14	6,449,511	2.14
Virginia	15	25,027,389	2.08	12	7,698,775	2.56
Arizona	16	23,003,027	1.91	15	6,353,421	2.11
Missouri	17	21,739,672	1.80	18	5,878,399	1.95
Connecticut	18	21,704,484	1.80	29	3,489,868	1.16
Maryland	19	20,344,200	1.69	19	5,618,899	1.86
Colorado	20	19,813,999	1.64	22	4,842,770	1.61
Wisconsin	21	19,611,255	1.63	20	5,598,893	1.86
South Carolina	22	18,101,702	1.50	24	4,404,914	1.46
Minnesota	23	17,808,007	1.48	21	5,182,360	1.72
Alabama	24	17,479,676	1.45	23	4,626,595	1.54
Indiana	25	16,565,933	1.37	16	6,335,862	2.10
Louisiana	26	15,998,992	1.33	25	4,373,310	1.45
Oklahoma	27	15,876,069	1.32	28	3,608,123	1.20
Oregon	28	15,745,648	1.31	27	3,735,549	1.24
Kentucky	29	15,057,981	1.25	26	4,236,308	1.41
Mississippi	30	11,345,904	0.94	31	2,921,030	0.97
Nevada	31	11,158,606	0.93	35	2,554,344	0.85
Kansas	32	10,880,678	0.90	33	2,777,382	0.92
Iowa	33	10,836,267	0.90	30	2,983,360	0.99
Arkansas	34	9,737,111	0.81	32	2,830,557	0.94
New Hampshire	35	8,391,998	0.70	41	1,312,256	0.44
Utah	36	7,353,103	0.61	34	2,668,925	0.89
New Mexico	37	6,916,558	0.57	36	1,964,402	0.65
Maine	38	6,617,341	0.55	40	1,315,398	0.44
Idaho	39	6,427,008	0.53	39	1,496,145	0.50
West Virginia	40	6,100,055	0.51	37	1,809,836	0.60
Nebraska	41	6,088,201	0.51	38	1,769,473	0.59
Hawaii	42	5,699,114	0.47	42	1,277,356	0.42
Montana	43	4,662,120	0.39	44	956,624	0.32
Alaska	44	3,793,547	0.31	47	681,111	0.23
South Dakota	45	3,737,711	0.31	46	795,689	0.26
Rhode Island	46	3,648,865	0.30	43	1,053,136	0.35
Vermont	47	3,534,488	0.29	49	620,748	0.21
Wyoming	48	2,706,099	0.22	51	523,252	0.17
North Dakota	49	2,600,171	0.22	48	637,904	0.21
Delaware	50	2,338,012	0.19	45	861,953	0.29
District of Columbia	51	1,818,517	0.15	50	587,868	0.20

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1040, Schedule C is entitled "Profit or Loss From Business (Sole Proprietorship)." Returns are assigned to States by Zip Code. Unidentifiable Zip Codes and Zip Codes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the sole proprietorship. In addition, some sole proprietorships may have also used an address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the sole proprietorships' business offices were located.

Partnerships and Sole Proprietorships, by State, for Tax Year 2007

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Table 6. Sole Proprietorships: Net Profit or (Loss) by State, Rank Compared to U.S. Population, Tax Year 2007

[Net profit less loss figures are based on tabulations of Form 1040, Schedule C—money amounts are in thousands of dollars]

State	Net profit or (loss)			Population [1]		
	Rank	Amount	Percentage of U.S. total	Rank	Number	Percentage of U.S. total
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	N/A	263,112,892	100.00	N/A	301,290,332	100.00
California	1	44,719,051	17.00	1	36,377,534	12.07
New York	2	22,188,035	8.43	3	19,429,316	6.45
Texas	3	21,855,945	8.31	2	23,843,432	7.91
Florida	4	13,169,232	5.01	4	18,199,526	6.04
Pennsylvania	5	11,297,641	4.29	6	12,419,930	4.12
New Jersey	6	10,393,304	3.95	11	8,653,126	2.87
Illinois	7	9,700,863	3.69	5	12,825,809	4.26
Massachusetts	8	8,712,875	3.31	13	6,467,915	2.15
Ohio	9	8,005,443	3.04	7	11,477,641	3.81
Virginia	10	6,714,999	2.55	12	7,698,775	2.56
Washington	11	6,431,778	2.44	14	6,449,511	2.14
Tennessee	12	6,310,007	2.40	17	6,149,116	2.04
Michigan	13	6,067,064	2.31	8	10,049,790	3.34
North Carolina	14	5,989,261	2.28	10	9,041,594	3.00
Connecticut	15	5,764,371	2.19	29	3,489,868	1.16
Georgia	16	5,254,238	2.00	9	9,523,297	3.16
Maryland	17	4,985,820	1.89	19	5,618,899	1.86
Colorado	18	4,737,831	1.80	22	4,842,770	1.61
Minnesota	19	4,088,184	1.55	21	5,182,360	1.72
Missouri	20	3,937,126	1.50	18	5,878,399	1.95
Indiana	21	3,868,875	1.47	16	6,335,862	2.10
Wisconsin	22	3,386,523	1.29	20	5,598,893	1.86
Oregon	23	3,270,594	1.24	27	3,735,549	1.24
Arizona	24	3,021,710	1.15	15	6,353,421	2.11
Louisiana	25	2,914,721	1.11	25	4,373,310	1.45
Alabama	26	2,723,784	1.04	23	4,626,595	1.54
Oklahoma	27	2,677,422	1.02	28	3,608,123	1.20
South Carolina	28	2,653,862	1.01	24	4,404,914	1.46
Kentucky	29	2,621,849	1.00	26	4,236,308	1.41
Kansas	30	2,138,184	0.81	33	2,777,382	0.92
Iowa	31	1,975,971	0.75	30	2,983,360	0.99
New Hampshire	32	1,840,449	0.70	41	1,312,256	0.44
Mississippi	33	1,807,696	0.69	31	2,921,030	0.97
Nevada	34	1,694,260	0.64	35	2,554,344	0.85
Arkansas	35	1,384,072	0.53	32	2,830,557	0.94
Utah	36	1,378,444	0.52	34	2,668,925	0.89
Maine	37	1,281,996	0.49	40	1,315,398	0.44
Hawaii	38	1,279,000	0.49	42	1,277,356	0.42
New Mexico	39	1,268,243	0.48	36	1,964,402	0.65
West Virginia	40	1,099,744	0.42	37	1,809,836	0.60
Nebraska	41	1,063,301	0.40	38	1,769,473	0.59
Rhode Island	42	1,036,092	0.39	43	1,053,136	0.35
Idaho	43	1,014,640	0.39	39	1,496,145	0.50
Alaska	44	817,843	0.31	47	681,111	0.23
District of Columbia	45	812,100	0.31	50	587,868	0.20
Montana	46	795,178	0.30	44	956,624	0.32
Vermont	47	736,305	0.28	49	620,748	0.21
South Dakota	48	587,237	0.22	46	795,689	0.26
Delaware	49	571,814	0.22	45	861,953	0.29
Wyoming	50	543,156	0.21	51	523,252	0.17
North Dakota	51	524,759	0.20	48	637,904	0.21

N/A—Not applicable.

[1] Population counts are from the U.S. Census Bureau.

NOTES: IRS Form 1040, Schedule C is entitled "Profit or Loss From Business (Sole Proprietorship)." Returns are assigned to States by Zip Code. Unidentifiable Zip Codes and Zip Codes from U.S. territories and military bases are excluded from these statistics. The classification by State was based on the filing address and therefore does not necessarily reflect the exact location of the business activity for the sole proprietorship. In addition, some sole proprietorships may have also used on address of an accounting firm, tax attorney, or tax practitioner that may have been located in a State other than the State where the sole proprietorships' business offices were located.