

Foreign-Controlled Domestic Corporations, 2006

by James R. Hobbs

For Tax Year 2006, the 63,951 U.S. domestic corporations, each controlled by a foreign “person,” generated \$3.8 trillion of total receipts with \$9.7 trillion of total assets, based on information reported on corporation income tax returns filed with the Internal Revenue Service (IRS). Both total receipts and total assets increased for 2006, by 9.5 percent and 5.7 percent, respectively, over the previous year.¹ These “foreign-controlled domestic corporation” returns were few in number, just 1.1 percent of the total U.S. corporation income tax returns filed. However, they accounted for 14.0 percent of the receipts and 13.3 percent of the assets reported on all U.S. corporation income tax returns.

The total profits (i.e., “net income (less deficit)”) reported by all foreign-controlled domestic corporations (FCDCs) for tax purposes under the Internal Revenue Code were \$172.6 billion for 2006. This was a 4.5 percent increase over the amount reported for the prior year. Placed in context, the profits reported on all corporation income tax returns decreased by 0.8 percent from the prior year, to \$1.9 trillion for 2006.² FCDCs accounted for 8.9 percent of the profits reported by all corporations for 2006, up from 8.5 percent for 2005.

Of all the FCDCs, 30,318 reported positive profits for 2006, totaling \$214.8 billion. This was a 6.6-percent increase over the prior-year amount. These profitable companies for 2006 also reported \$171.3 billion of taxable income (i.e., “income subject to tax”), a significant increase of 11.9 percent over the prior year. The U.S. tax liability (i.e., “total income tax after credits”) of FCDCs was \$50.0 billion for 2006, 17.8 percent more than that of the prior year.

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For 2006, there were 3,948 “large” foreign-controlled domestic corporations, each with at least \$250 million of assets or at least \$50 million of receipts. These large FCDCs accounted for most of the key financial items of all FCDCs: 94.5 percent of total assets, 94.9 percent of total receipts, 93.1 percent of taxable income, and 92.3 percent of total income tax after credits. After an overview of all FCDCs, this article focuses on these large foreign-controlled domestic corporations and compares them to other large domestic corporations, i.e., those not controlled by foreign persons.

Tables showing selected balance sheet, income statement, and tax items for FCDCs are included at the end of this article. Table 1 shows historical FCDC data for selected tax years between 1971 and 2006. Tables 2, 3, and 4 concentrate on Tax Year 2006 data. Table 2 includes information for all FCDCs, classified by major industry under the North American Industry Classification System (NAICS). Table 3 also presents data for all FCDCs, classified by country of the foreign owner, as well as age of the corporation. Table 4 presents information on the “large” FCDCs, classified by industrial sector. For comparison purposes, this table also contains data for the large domestic corporations not controlled by foreign persons.

Foreign Business Activity in the United States

Foreign business activity in the United States can take several forms, including corporations. With regard to corporations, a foreign investor may own stock of a domestic (i.e., United States) company or in a company that operates in the United States as a branch of a foreign corporation.^{3,4} This article focuses on domestic corporations that are “controlled” by foreign persons. For the foreign-controlled domestic corporations covered in this article, control

¹ For additional 2006 statistics covering foreign-controlled domestic corporations (FCDCs), see Tables 24 and 25 of *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16, March 2009. Statistics for tax years prior to 2006 are available in earlier editions of Publication 16. Additionally, for 2005 statistics covering FCDCs, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2005,” *Statistics of Income Bulletin*, Summer 2008, Volume 28, Number 1. In addition, FCDC data are included on the IRS Internet site at www.irs.gov, under Tax Stats/International/Foreign-Controlled Domestic Corporations.

² Total corporate data referenced throughout this article come from: (1) *Statistics of Income Bulletin*, Publication 1136, Spring 2009, Volume 28, Number 4; (2) *Statistics of Income—Corporation Income Tax Returns*, Publication 16, selected years; (3) *Source Book of Statistics of Income—Corporation Income Tax Returns*, Publication 1053, selected years; and (4) unpublished Statistics of Income tabulations.

³ 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.”

⁴ In addition to the foreign-controlled domestic corporations study discussed in this article, the Statistics of Income program conducts a separate study covering branches of foreign corporations operating in the United States. For the most recent statistics from that study, see Tables 10 and 11 that cover branch operations of foreign corporations with income “effectively connected” with a U.S. trade or business, in *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16, March 2009. Statistics for tax years prior to 2006 are available in earlier editions of Publication 16 and on the IRS Internet site at www.irs.gov, under Tax Stats/International/Foreign Corporations with U.S. Business Operations.

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is defined as ownership by one foreign “person,” directly or indirectly, of 50 percent or more of the U.S. corporation’s voting stock, or of 50 percent or more of the value of all of the corporation’s stock, at any time during the accounting period.^{5, 6} A person is an entity, including an individual, corporation, partnership, estate, or trust. (This is discussed in greater depth in the Explanation of Selected Terms section of this article, under “constructive ownership rules” and “foreign person.”)

The foreign-controlled domestic corporation statistics shown in this article, exclude domestic corporations with only foreign “portfolio” investors. A foreign portfolio investor, having only a minimal interest in a domestic company, exerts no control over the management of the domestic corporation, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. A foreign portfolio investor is primarily seeking dividend payments, an increase in the value of the shares of stock, or both. The Statistics of Income program does not conduct studies covering foreign portfolio investors of domestic corporations.

Foreign-controlled domestic corporations report tax information 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 include all of these return types (unless otherwise stated). 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 corporate 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.⁷ However, FCDCs cannot file Forms 1120-A, 1120-F, or 1120S.

Foreign-Controlled Domestic Corporations

Growth of Corporations

The estimated numbers of returns filed by FCDCs have remained rather constant during the 10-year period of Tax Years 1997-2006. There were 61,621 returns of foreign-controlled domestic corporations for 1997; 63,951 for 2006. With the rapid increase in the total numbers of U.S. corporation income tax returns, FCDCs generally comprised a slowly decreasing percentage of those returns, from 1.3 percent for 1997 down to 1.1 percent for 2006. The increase in total filings of U.S. corporation income tax returns has largely been due to the growth in the number of Forms 1120S filed by S corporations. For 1997, 1120S returns comprised 52.1 percent of all corporation returns (2,452,254 of the total 4,710,083 returns); for 2006, 66.3 percent of all returns (3,872,766 of the total 5,840,799 returns). FCDCs are not eligible to elect to be treated as S corporations for Federal income tax purposes.

The numbers of corporation income tax returns include consolidated returns. These returns contain the combined financial data of two or more corporations in which a common parent corporation owns 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 is owned within the

⁵ This study excludes returns of domestic corporations with stock owned by a single foreign person of 49 percent or less. However, the tax forms filed by domestic corporations do indicate the presence of 25-percent to 49-percent foreign owners, and the Statistics of Income program does separately compile data on these domestic corporations. For 2006, there were only 4,097 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$237.0 billion of assets, \$98.5 billion of receipts, \$8.8 billion of taxable income, and \$2.6 billion of total income tax after credits. All of these amounts were small in comparison to data for the corporations with at least 50-percent foreign ownership.

⁶ Returns of certain domestic companies that are effectively controlled by foreign persons, i.e., those public companies in which “control” may be exercised with as little as 10 percent to 20 percent of the stock holdings, are excluded from both the 50-percent-or-more and the 25-percent to 49-percent tabulations. Tax return forms filed by domestic corporations do not include information about foreign persons with less than 25-percent stock holdings.

⁷ 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 the returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income—2006, 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.

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group. A consolidated return filed by a common parent is treated as a unit, with each statistical item being determined on the basis of the combined data of the affiliated group.

FCDCs, like most other corporations, could elect to file consolidated returns for affiliated groups of domestic corporations. For 2006, there were 5,977 consolidated returns filed by FCDCs, 9.3 percent of all FCDC returns. These returns accounted for the majority of economic activity reported by all FCDCs. Specifically, they accounted for \$8.8 trillion of assets (90.3 percent of the total for all FCDCs), \$3.4 trillion of receipts (87.8 percent of the total), \$153.8 billion of net income less deficits (89.2 percent of the total), \$151.5 billion of taxable income (88.4 percent of the total), and \$43.8 billion of total income tax after credits (87.7 percent of the total).

To the extent that FCDCs filed consolidated income tax returns, the data included in this article actually represent more corporations than the stated number of returns. The study, however, did not tabulate the number of subsidiary corporations included in the consolidated returns.

In contrast to the numbers of returns, the growth of foreign investment in the United States through foreign-controlled domestic corporations during the last 10 years was evident in most of the financial items.⁸ In particular, the share of both total U.S. corporate assets and receipts accounted for by FCDCs increased over the 1997-2006 time period.

The assets of domestic corporations controlled by foreign persons increased by 187.2 percent between 1997 and 2006, as compared to the 121.3-percent increase for the assets reported on all U.S. corporation income tax returns.⁹ As a result of these changes, the percentage of total corporate assets ac-

counted for by FCDCs increased from 10.3 percent for 1997 to 13.3 percent for 2006 (see Figure A).

Total receipts of FCDCs increased by 115.5 percent between 1997 and 2006, as compared to the increase of 65.0 percent for all corporations. As a result, the share of the receipts reported on all corporate returns attributed to FCDCs increased from 10.7 percent for 1997 to 14.0 percent for 2006.

The growth of FCDCs can also be measured from the early 1970s, when a question concerning foreign ownership of corporations was first placed on the income tax return. For 1971, the 5,154 FCDCs 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 2006, foreign-controlled domestic corporations were involved in each of the 19 industrial sectors (treating wholesale trade and retail trade as separate sectors) listed in Figure B. However, 42,319 of the 63,951, nearly two-thirds of the total, had primary business activities in one of the following four industrial sectors: (1) wholesale trade (17,438); (2) real estate and rental and leasing (11,906); (3) manufacturing (6,701); and (4) professional, scientific, and technical services (6,274). By comparison, relatively few FCDCs were involved in utilities (63) or educational services (7). The Data Sources and Limitations section discusses how returns were classified by industry.¹⁰

Companies in different industries often have different financial characteristics. For instance, the relative levels of assets and receipts of companies

⁸ 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. Electronic versions of the articles can be obtained from the Internet at www.bea.gov/international/index.htm. 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, levels of foreign ownership, and levels of company consolidation.

⁹ The percentage changes in the assets between 1997 and 2006 of domestic corporations controlled by foreign persons, as well as those of all corporations, may overstate the actual "change in investment." Assets are generally reported at book value on tax returns (i.e., 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. New corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations may have comprised a different portion of FCDCs than they did for other companies, the comparability of the two percentages may be limited.

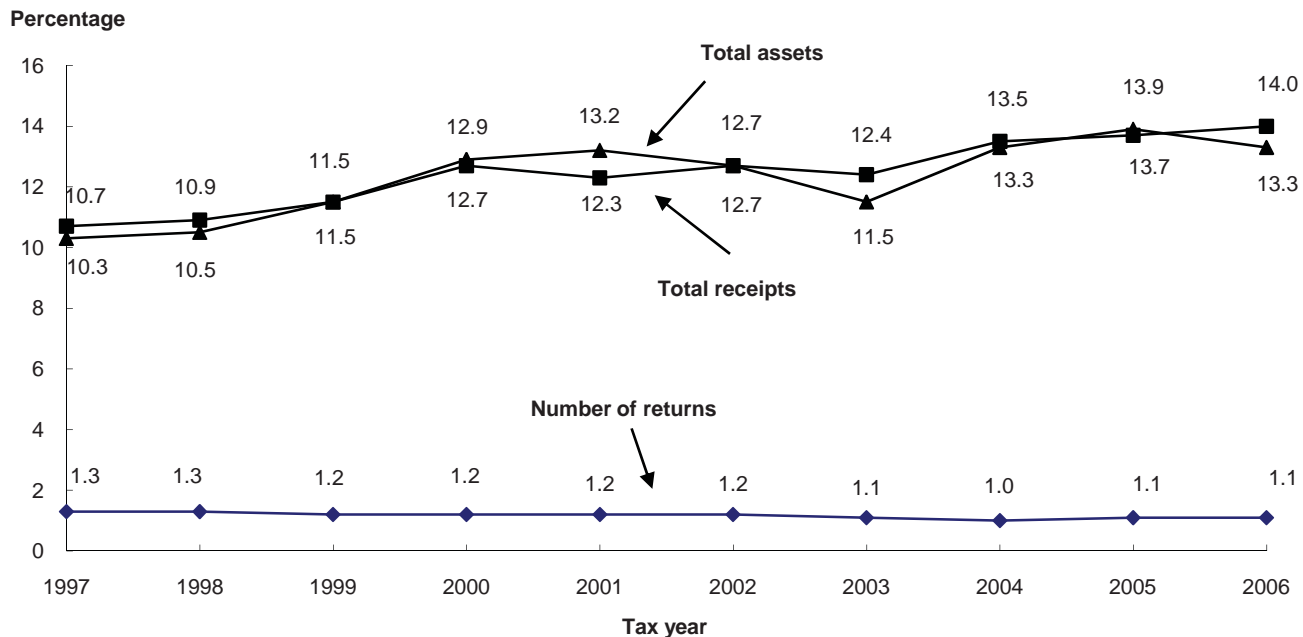
¹⁰ Statistics classified by industry do have certain limitations. For example, FCDCs accounted for 23.5 percent and 21.8 percent of the receipts of all companies classified as manufacturers and wholesalers, respectively. However, these percentages may overstate the FCDC portion of wholesaling and understate 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 FCDCs acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These foreign-controlled domestic companies were classified in the wholesale trade industrial sector. (See the Data Sources and Limitations section for additional information about industrial classification limitations.)

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Figure A

Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 1997-2006



primarily engaged in wholesale trade differ significantly from those primarily engaged in credit intermediation (e.g., commercial banks, credit card issuers, credit unions, mortgage banks, and savings institutions). FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (valued as of the end of their accounting periods), resulting in \$1.74 of receipts for each dollar of end-of-year assets for 2006. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDCs produced only \$.07 of receipts for each dollar of end-of-year assets. See Table 2.

Corporations classified as wholesalers accounted for 20.9 percent of the receipts for all FCDCs, a significant percentage, as is the 27.3 percent of the total FCDC returns they comprised. However, these companies reported only 4.7 percent of the total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.2 percent of the assets and 0.8 percent of the receipts of all FCDCs. These percentages were both substantially less than the 18.6 percent of the FCDC returns that they filed.

Manufacturing corporations filed 10.5 percent of the FCDC returns for 2006. These capital-intensive goods-producing companies accounted for far greater percentages of the total FCDC assets (23.2 percent) and receipts (46.3 percent). These corporations were often large, with reported average amounts of assets and receipts of \$337.3 million and \$265.3 million, respectively.

Corporations classified in the professional, scientific, and technical services industrial sector reported only 1.2 percent of the assets and 1.9 percent of the receipts of all FCDCs. Both of these percentages are significantly lower than the portion (9.8 percent) of total FCDC returns this services sector represented. These service corporations were generally smaller than those in manufacturing, with reported average amounts of assets and receipts of \$19.0 million and \$11.6 million, respectively.

Two additional sectors warrant discussion. While corporations classified in the finance and insurance industrial sector composed only 4.6 percent of the total returns filed by FCDCs for 2006, they accounted for the largest share (48.0 percent) of the total assets reported for any of the industrial sectors.

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Figure B

Foreign-Controlled Domestic Corporations: Selected Items, by Industrial Sector, Tax Year 2006

[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 industries	63,951	100.0	9,743,225	100.0	3,839,754	100.0
Agriculture, forestry, fishing, and hunting	719	1.1	4,699	[1]	2,650	0.1
Mining	751	1.2	126,846	1.3	66,430	1.7
Utilities	63	0.1	84,237	0.9	34,841	0.9
Construction	2,171	3.4	45,928	0.5	48,298	1.3
Manufacturing	6,701	10.5	2,260,118	23.2	1,777,561	46.3
Wholesale and retail trade	20,308	31.8	567,453	5.8	1,005,722	26.2
Wholesale trade	17,438	27.3	461,074	4.7	803,165	20.9
Retail trade	2,871	4.5	106,379	1.1	202,557	5.3
Transportation and warehousing	2,263	3.5	59,335	0.6	55,632	1.4
Information	2,145	3.4	373,761	3.8	98,465	2.6
Finance and insurance	2,950	4.6	4,677,234	48.0	446,808	11.6
Real estate and rental and leasing	11,906	18.6	113,134	1.2	30,573	0.8
Professional, scientific, and technical services	6,274	9.8	119,047	1.2	72,989	1.9
Management of companies (holding companies)	3,233	5.1	1,160,438	11.9	110,029	2.9
Administrative and support and waste management and remediation services	1,874	2.9	44,258	0.5	37,861	1.0
Educational services	7	[1]	3,942	[1]	1,379	[1]
Health care and social assistance	341	0.5	19,045	0.2	12,080	0.3
Arts, entertainment, and recreation	491	0.8	12,641	0.1	4,400	0.1
Accommodation and food services	949	1.5	65,876	0.7	29,159	0.8
Other services	806	1.3	5,232	0.1	4,876	0.1

[1] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

Additionally, finance and insurance companies accounted for 11.6 percent of the total FCDC receipts.

Management (or holding) companies contributed a significant portion (11.9 percent) of the FCDC total assets. However, this sector accounted for smaller portions of both the number of returns (5.1 percent) filed by FCDCs and the receipts (2.9 percent) reported by them.

While foreign-controlled domestic corporations accounted for 14.0 percent of the \$27.4 trillion of total receipts reported by all corporations filing U.S. income tax returns for 2006, these companies played disproportionately larger roles in certain industrial sectors. For instance, FCDCs produced substantial portions of the total receipts reported for manufacturing (23.5 percent), wholesale trade (21.8 percent), and mining (18.1 percent). Conversely, FCDC involvement in a number of other business activities was relatively low and accounted for a small percentage of the receipts for all companies classified in the

following industries: "other" services (2.3 percent), health care and social assistance (2.1 percent), and agriculture, forestry, fishing, and hunting (1.9 percent). See Figure C.

FCDC industrial data at the sector level can be decomposed into more specific industrial classifications for analysis purposes. In general, sectors are composed of major groups, which in turn are composed of minor industries. For 2006, FCDCs in 17 minor industries each reported over \$40 billion of receipts. The largest were petroleum manufacturing refineries (\$604 billion of receipts) and motor vehicles and parts manufacturing (\$298 billion). See Figure D.

Country Characteristics

Persons (including individuals, corporations, and other entities) resident in any country throughout the world can control U.S. corporations. As reported on the U.S. income tax returns of the foreign-controlled

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Figure C

Total Receipts of All Corporations and Foreign-Controlled Domestic Corporations, by Industrial Sector, Tax Year 2006

[Money amounts are in millions of dollars]

Industrial sector	Total receipts		
	All corporations	Foreign-controlled domestic corporations	Percentage
	(1)	(2)	(3)
All industries [1]	27,401,874	3,839,754	14.0
Agriculture, forestry, fishing, and hunting	142,111	2,650	1.9
Mining	366,514	66,430	18.1
Utilities	626,053	34,841	5.6
Construction	1,608,163	48,298	3.0
Manufacturing	7,575,888	1,777,561	23.5
Wholesale and retail trade [2]	7,255,779	1,005,722	13.9
Wholesale trade	3,683,747	803,165	21.8
Retail trade	3,571,557	202,557	5.7
Transportation and warehousing	756,588	55,632	7.4
Information	1,127,995	98,465	8.7
Finance and insurance	3,747,502	446,808	11.9
Real estate and rental and leasing	337,662	30,573	9.1
Professional, scientific, and technical services	928,556	72,989	7.9
Management of companies (holding companies)	1,093,609	110,029	10.1
Administrative and support and waste management and remediation services	461,264	37,861	8.2
Educational services	38,336	1,379	3.6
Health care and social assistance	578,938	12,080	2.1
Arts, entertainment, and recreation	95,018	4,400	4.6
Accommodation and food services	453,708	29,159	6.4
Other services	208,105	4,876	2.3

[1] Includes "Not allocable," which is not shown separately.

[2] Includes "Wholesale and retail trade not allocable," which is not shown separately.

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

domestic corporations, a country represents 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. A foreign corporation, or a chain of related foreign corporations, is frequently the owner of a U.S. subsidiary corporation. Because a foreign corporation in the chain of related companies, which directly owns the stock of a U.S. subsidiary, may be located in a country different from that of the ultimate owner, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. (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.)

For 2006, residents of 40 countries accounted for nearly nine of every ten domestic corporations

classified as 50-percent-or-more controlled by a foreign person. The 56,859 corporations controlled by persons resident in the 40 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.3 percent of total assets, 98.8 percent of total receipts, 98.3 percent of taxable income, and 98.1 percent of total income tax after credits.

From among these 40 countries, domestic corporations controlled by persons from just seven countries produced 80.3 percent of the total receipts of all FCDCs. These top seven countries, in decreasing size of receipts, are the United Kingdom, Japan, Germany, Canada, the Netherlands, France, and Switzerland.

Domestic corporations controlled by persons resident in the United Kingdom reported total receipts of \$889 billion for 2006, an amount larger than that for any other country. These receipts represented

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Figure D

Foreign-Controlled Domestic Corporations: Selected Items for Largest Minor Industries, Tax Year 2006

[Money amounts are in millions of dollars]

Minor industry	Number of returns	Total assets	Total receipts	Net income (less deficit)	Net income	Income subject to tax	Total income tax after credits	
							Amount	As a percentage of total receipts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Petroleum refineries, including integrated (manufacturers)	72	761,564	604,480	31,755	31,772	31,485	7,713	1.3
Motor vehicles and parts (manufacturers)	466	429,118	297,872	3,673	6,831	6,232	2,072	0.7
Motor vehicles and motor vehicle parts and supplies (wholesalers)	830	111,800	166,458	4,760	5,181	4,749	1,512	0.9
Stock life insurance companies	50	849,453	156,300	2,625	4,199	2,107	633	0.4
Electrical goods (wholesalers)	1,244	76,179	155,908	1,287	2,649	1,830	560	0.4
Food and beverage stores (retailers)	41	53,917	124,280	2,527	2,673	2,509	868	0.7
Securities brokerage	311	1,377,074	122,521	4,120	4,133	2,230	717	0.6
Offices of bank holding companies	31	1,098,888	102,775	13,136	13,147	13,017	4,018	3.9
Pharmaceutical and medicine (manufacturers)	121	151,915	101,065	13,327	13,505	13,088	4,104	4.1
Furniture, sports, toys, recycle, jewelry, and other durable goods (wholesalers)	3,096	33,997	77,611	1,386	2,112	1,545	520	0.7
Petroleum and petroleum products (wholesalers)	53	28,044	69,258	395	647	641	234	0.3
Metal and mineral, except petroleum (wholesalers)	578	36,097	55,999	1,577	1,896	1,564	527	0.9
Professional and commercial equipment and supplies (wholesalers)	2,443	30,146	53,976	1,343	1,759	1,529	527	1.0
Machinery, equipment, and supplies (wholesalers)	3,087	33,331	51,431	1,565	1,893	1,616	529	1.0
Stock property and casualty insurance companies	96	371,799	48,917	4,290	5,122	2,735	757	1.5
Investment banking and securities dealing	113	1,112,165	48,592	3,215	3,216	1,700	618	1.3
Cement, concrete, lime, and gypsum products (manufacturers)	96	69,159	44,180	3,969	4,035	3,882	1,296	2.9

NOTES: This figure includes minor industries with at least \$40 billion of total receipts. These industries are listed by decreasing size of total receipts (column 3). Percentages are computed using rounded data.

23.2 percent of the total for all FCDCs. As shown in Figure E, the United Kingdom's share of 2006 FCDC receipts is substantially larger than its share of 1997 FCDC receipts (i.e., 13.9 percent).

For 2006, domestic corporations with owners resident in Japan (\$618 billion), Germany (\$494 billion), Canada (\$361 billion), the Netherlands (\$290 billion), France (\$243 billion), and Switzerland (\$188 billion) also accounted for significant amounts of receipts. Of these six countries, Germany's portion of total receipts increased the most between 1997 and 2006 (from 9.8 percent to 12.9 percent), while the portion for Japan decreased the most (from 25.7 percent to 16.1 percent).

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$2.5 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in Switzerland (\$1.3 trillion), Germany (\$1.3 trillion), Canada (\$1.0 trillion), France (\$0.9 trillion),

the Netherlands (\$0.9 trillion), and Japan (\$0.8 trillion) also accounted for significant amounts of assets.

Although U.K.-controlled domestic corporations accounted for the largest part of the total FCDC receipts and assets for 2006, the U.K. was not responsible for the largest number of returns filed for FCDCs. Canadian-controlled domestic corporations filed the most returns, 10,945. However, U.K.-controlled domestic corporations were second with 4,943 returns, followed by German-controlled domestic corporations with 4,514 returns and Japanese-controlled domestic corporations with 4,488 returns.

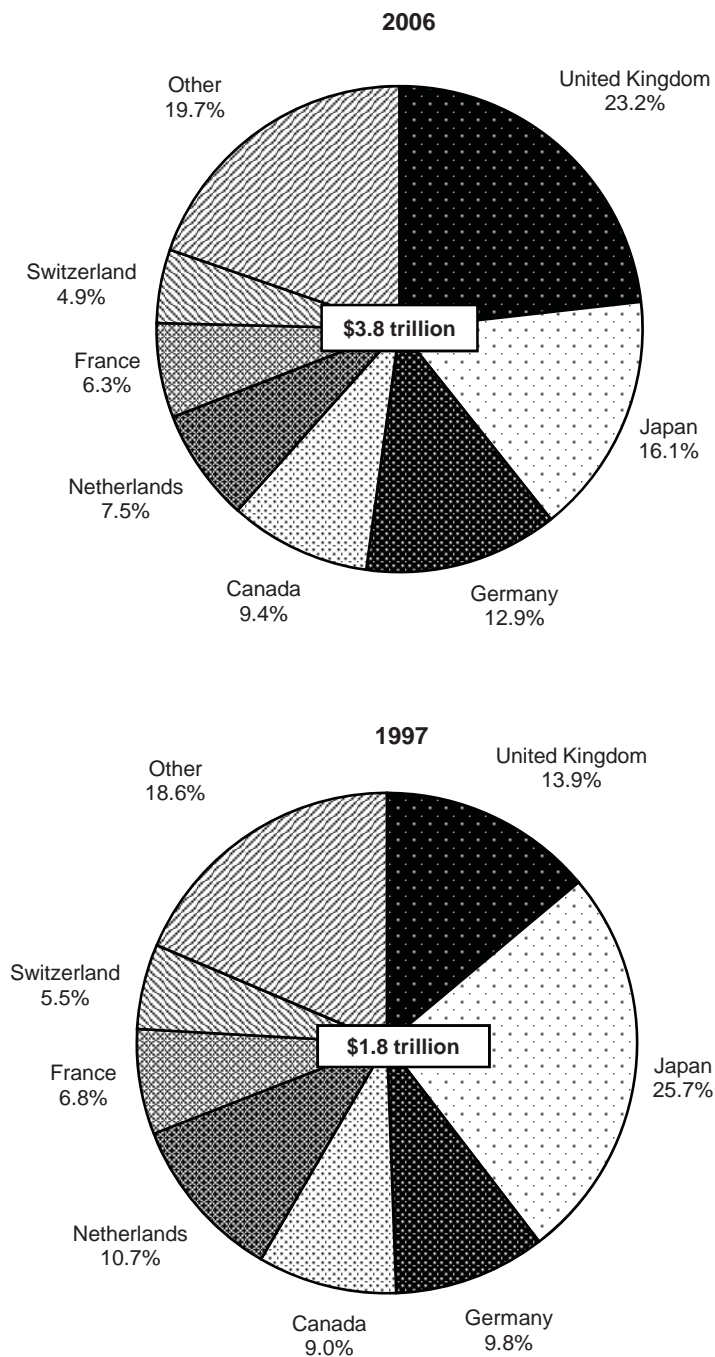
For 2006, the U.S. tax liability of all FCDCs was \$50.0 billion, or 1.3 percent of the \$3.8 trillion of receipts reported by all FCDCs. U.K.-controlled domestic corporations reported the largest amount of U.S. tax liability (\$14.9 billion). Japanese-controlled corporations, with \$7.9 billion of tax liability, followed. For the U.K.-controlled corporations, tax liabilities were 1.7 percent of their \$0.9 trillion of

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Figure E

Foreign-Controlled Domestic Corporations: Distribution of Total Receipts by Country of Foreign Owner, Tax Years 1997 and 2006



NOTE: All amounts are in current dollars.

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receipts. Tax liabilities were somewhat lower at 1.3 percent of their \$0.6 trillion of receipts for the Japanese-controlled corporations. Many factors, including differences in industrial apportionments and age apportionments (discussed later in this article), may have caused the resulting differences between countries in calculating tax as a percentage of receipts.

Combined Country and Industry Characteristics

There were some similarities, but also important differences among the primary industrial activities of the corporations with owners from the top seven countries. For the United Kingdom, manufacturing was the predominant industrial sector, accounting for 70.6 percent of its total \$889 billion of receipts. More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group, accounting for \$500 billion, or 56.2 percent of the country total.

Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$618 billion of receipts: wholesale trade (51.9 percent of the total) and manufacturing (35.4 percent). More specifically, wholesale trade of durable goods was the leading major industrial group, producing 45.7 percent of the total receipts. Japan was the only one of the top seven countries in which manufacturing was not the leading industrial sector in producing receipts.

Like those in the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 56.5 percent of the \$494 billion of receipts for that country coming from corporations in this industrial group. More specifically, transportation equipment manufacturers produced the most receipts of any major group, accounting for 26.9 percent of the total. Finance and insurance (14.7 percent) and wholesale trade (13.0 percent) were the other predominant industrial sectors.

Canadian-controlled corporations were primarily concentrated in manufacturing, which accounts for 29.5 percent of the \$361 billion of receipts for that country. This sector was followed by finance and insurance (16.6 percent), retail trade (15.9 percent), and wholesale trade (14.5 percent). Insurance carriers reported 12.0 percent of the total receipts,

the only major group in any sector that accounted for at least 10 percent of the total Canadian receipts.

For the Netherlands, manufacturing was again the largest industrial sector with 25.4 percent of the total receipts (\$290 billion). This sector was closely followed by finance and insurance (24.1 percent) and retail trade (19.9 percent). Within manufacturing, chemicals (with 6.1 percent of total receipts for that country), computers and electronic products (5.2 percent), primary metals (4.8 percent), and machinery (3.7 percent) were the leading industries. Insurance carriers reported 17.9 percent of the total receipts. Within the retail trade sector, food, beverage, and liquor stores were the leading industry with 16.6 percent of total receipts for that country.

France and Switzerland had the same three leading industrial sectors as did Germany. For France, manufacturers produced 43.0 percent of the \$243 billion of receipts for that country. This was followed by finance and insurance (23.6 percent) and wholesale trade (13.9 percent). More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group (13.0 percent of the total), followed by insurance carriers (11.7 percent) and securities, commodity contracts, and other financial investments dealers (10.3 percent).

For Switzerland, 42.8 percent of the \$188 billion of receipts came from the manufacturing sector, followed by finance and insurance with 36.4 percent and wholesale trade with 14.0 percent. More specifically, businesses that handled securities and commodity contracts and other financial investments were the leading major industry, accounting for 22.3 percent of the total receipts for the country. Other important major industries were chemical manufacturers (21.0 percent), insurance carriers (13.8 percent), and food manufacturers (10.4 percent).

Age Characteristics

Table 3 presents data for two groups of FCDCs based on the age of each corporation. A “new” corporation is one defined here as having been incorporated in 2004 or after, as reported on its income tax return. An “old” corporation is one incorporated in or prior to 2003, or with an unknown (i.e., unreported) date of incorporation.¹¹

¹¹ Dates of incorporation are reported on Form 1120, page 1, question C. Forms 1120L, 1120-PC, 1120-REIT, and 1120-RIC also contain this question in different locations on those forms.

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The year of incorporation may be somewhat unreliable as an indicator of the true age of corporations. 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 that the parent company was incorporated. Another example is the reorganization of an existing corporation into a new corporation, which results in a recent year of incorporation, even though it is an “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, and recourse to other sources is not always practical. Thus, it is subject to higher levels of taxpayer reporting and data entry errors, as compared to statistical items that can be evaluated against other reported items.

For 2006, there were 17,226 FCDCs incorporated in 2004 or after. Wholesalers accounted for the greatest portion of these “new” corporations with 5,159 companies, followed by real estate with 2,736 companies, professional, scientific, and technical services with 2,035 companies, manufacturing with 1,497 companies, and management of companies with 1,067 companies.

Nearly three out of every four foreign-controlled domestic corporations were incorporated prior to 2004, i.e., considered to be “old” corporations. These corporations tended to be larger than the new corporations, accounting for 96.1 percent of the FCDC assets and 95.1 percent of the receipts.

Old corporations were generally more profitable than the newer corporations. New companies may have had more expenses (including startup costs) relative to receipts than the older companies. For 2006, old corporations reported \$168.2 billion of net profits on \$3.7 trillion of receipts, while new corporations reported \$4.4 billion of net profits on \$0.2 trillion of receipts. Thus, net profits (i.e., net income less deficit) as a percentage of total receipts were 4.6 percent for old corporations, versus 2.3 percent for new corporations.

As a result of reporting most of the profits, old corporations also accounted for most of U.S. taxable income (94.9 percent) and U.S. tax liabilities (94.7 percent) of all FCDCs. The old corporations had \$47.3 billion of tax liabilities after credits, equaling 1.3 percent of their total receipts. The new corporations had \$2.6 billion of tax liabilities after credits, equaling 1.4 percent of their total receipts.

Receipts, Deductions, and Profits

Total receipts comprises all of the income “actually” received by corporations. These receipts include business receipts, as well as investment and incidental income. Business receipts are gross receipts from sales and operations and frequently make up most of a corporation’s total receipts. Investment income includes interest, dividends, and gains on the sale or exchange of both capital and noncapital assets. Interest, in turn, includes both taxable interest from all sources and nontaxable interest on State and local government obligations.

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 for total receipts shown in this article include business activities in the United States, as well as certain foreign activities as reported on tax returns of domestic corporations. Total receipts include the receipts of foreign branch operations of U.S. companies. Also included in these receipts are dividends remitted to U.S. corporations by their foreign subsidiaries.

The receipts and deductions of foreign-controlled domestic corporations that are shown in this article do not include amounts generated by their foreign parent or other related foreign companies. However, FCDCs could have had business transactions with their related foreign companies, and FCDC receipts and deductions stemming from these transactions are included in the statistics.¹²

An FCDC that transacts business with a related foreign company must determine “transfer prices” for those transactions. These transactions include the sale and purchase of tangible goods, fees for ser-

¹² For the most recent detailed information on transactions between “foreign-owned domestic corporations” and their related foreign persons, see Lowe, Mark R., “Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2004,” *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2. The data contained in that article are not completely comparable to the data contained in this article, since they cover different time periods and are for U.S. corporations that were owned, 25 percent or more, by a foreign person. By 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.

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VICES, interest payments on debts, leasing expenses, and royalties. How transfer prices are determined for these transactions may affect the amount of receipts and deductions, as well as profits (i.e., net income or deficit), taxable income, and taxes 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 unrelated enterprises and determined by market forces.

Over 86.5 percent of the \$3.8 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of “business receipts” (i.e., receipts from sales and operations). These same companies reported \$3.7 trillion of total deductions. Cost of goods sold was 66.1 percent of that total. (See “business receipts” and “cost of goods sold” in the Explanation of Selected Terms section.)

It is noteworthy to look at the “gross profit” of FCDCs. Gross profit is the difference between business receipts and cost of goods sold. Two important industrial sectors for FCDCs, manufacturing and wholesale trade, accounted for most of the reported amounts of business receipts and cost of goods sold. In manufacturing, FCDCs reported \$.79 of cost of goods sold for every dollar of business receipts, while the amount was \$.72 for all other corporations classified in this sector. Thus, FCDCs had smaller gross profits than other corporations, \$.21 compared to \$.28 for every dollar of business receipts. In wholesale trade, all FCDCs reported \$.83 of cost of goods sold for every dollar of business receipts. The amount was the nearly the same (\$.82) for all other corporations classified in this sector. As a result, FCDCs and other corporations had similar gross profits, \$.17 and \$.18, respectively, for every dollar of business receipts.

After cost of goods sold (and the “other deductions” category), interest paid was the next largest deduction item of FCDCs for Tax Year 2006. Interest paid by FCDCs for that year amounted to \$286.7 billion, 7.5 percent of their total receipts. By comparison, the \$1.8 trillion of interest paid by all corporations that filed U.S. income tax returns was 6.5 percent of their total receipts. At the industrial sector level, the percentage of interest paid to total receipts by manufacturers was 2.7 percent for FCDCs and 3.4 percent for all corporations. In the wholesale trade sector, the percentages were similar, 1.0 for FCDCs and 0.9 for all corporations. Complete income statement statistics of FCDCs are shown in Tables 24 and 25 of *Statistics of Income—2006, Corporation Income Tax Returns*.

Total receipts less total deductions for FCDCs equaled \$168.7 billion for 2006. By comparison, net income (less deficit) amounted to \$172.6 billion. The statistics for total receipts less total deductions include all income actually received by corporations, while the statistics for net income (less deficit) focus on taxable sources of corporate income, including “constructive” taxable income. Thus, unlike total receipts less total deductions, net income (less deficit) includes two items of constructive taxable income from related foreign corporations, and excludes nontaxable interest on State and local government obligations.¹³ The two items of constructive taxable income from related foreign corporations are includable income from foreign corporations owned by U.S. shareholders and foreign dividend gross-up. (See “constructive taxable income from related foreign corporations” in the Explanation of Selected Terms section.) For 2006, FCDCs reported \$5.7 billion of constructive taxable income, and received \$1.8 billion of nontaxable interest on State and local government obligations.

Net income (less deficit) for foreign-controlled domestic corporations increased from \$165.2 billion

¹³ 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: Nontaxable Interest on State and Local Government Obligations

(Included in Total Receipts, above)

Equals: Net Income (Less Deficit)

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for 2005, to \$172.6 billion for 2006. This was a 4.5 percent increase. In contrast, net income (less deficit) reported on all corporation income tax returns decreased slightly between 2005 and 2006, by 0.8 percent, to \$1.9 trillion.

The \$172.6 billion of total FCDC net income (less deficit) were the result of 30,318 corporations collectively reporting \$214.8 billion of positive net income and 33,633 companies reporting \$42.3 billion of deficits.¹⁴ Thus, less than one out of every two (47.4 percent) domestic corporations with foreign owners reported a positive net income for 2006. In comparison, 57.7 percent of all corporations filing U.S. income tax returns for the same year reported a positive net income.

The percentage of FCDCs reporting positive net income varied greatly among the different industrial groups. At the industrial sector level, the portion reporting positive net income ranged from a low of 12.8 percent for “other” services, to a high of 81.2 percent for health care and social assistance. For the more predominant sectors of FCDCs, the percentages of profitable companies were 57.0 percent for manufacturing and 50.1 percent for wholesale trade.

The \$42.3 billion of deficits for 2006 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” (NOL) in the Explanation of Selected Terms section). Net operating losses carried back to Tax Year 2006 from 2007 and beyond, reported on Forms 1120X and 1139, are not included in the statistics shown in this article.¹⁵ However, NOLs carried forward to Tax Year 2006 from prior years are included in the statistics and discussed in the next section.

Taxable Income and Taxes

For most corporations, taxable income (i.e., “income subject to tax”) is generally equal to positive net income less statutory special deductions.¹⁶ Statutory special deductions include deductions for net operating loss (NOL) carryovers from prior years and the

special deductions for dividends and other corporate attributes allowed by the Internal Revenue Code. For 2006, the difference between the \$214.8 billion of positive net income and \$171.3 billion of taxable income was, for the most part, the result of statutory special deductions. The net operating loss deduction was \$37.6 billion and accounted for 75.8 percent of the \$49.6 billion of total statutory special deductions. In calculating taxable income for 2006, FCDCs reduced their positive net incomes by 17.5 percent using NOLs carried over from prior years.

For 2006, foreign-controlled domestic corporations reported \$171.3 billion of taxable income. This was the base on which \$59.7 billion of income tax were computed. The \$60.3 billion of total income tax before credits reported by FCDCs consisted primarily of the income tax, plus the alternative minimum tax and certain other taxes. The alternative minimum tax was \$0.6 billion, and the remaining taxes comprised a very small part of the total.

Tax credits totaling \$10.4 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations from \$60.3 billion to \$50.0 billion for 2006. The largest credits claimed were \$8.0 billion of foreign tax credits, \$1.4 billion of general business credits, and \$0.9 billion of prior-year minimum tax credits. The \$50.0 billion of total U.S. income tax after credits represent the tax liability as originally reported by taxpayers. However, this amount may differ from the actual income tax collected and the final income tax liability of corporations for Tax Year 2006. The originally reported tax liability does not take into account either: (1) amended returns filed by the corporations, or (2) adjustments made by IRS as a result of tax examination or enforcement activities. Among other reasons, corporations could file amended returns to use carry-back provisions for net operating losses and unused foreign tax and general business credits.

The percentage of FCDCs reporting U.S. tax liabilities (i.e., total income tax after credits) for 2006 was 35.3 percent, nearly the same as for 2005. The

¹⁴ The 33,633 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

¹⁵ 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*.

¹⁶ There were certain exceptions to the relationship of positive net income minus statutory special deductions equaling taxable income. First, in some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. Second, the tax bases of S corporations and life insurance companies were not defined as net income less statutory special deductions. Rather, these types of corporations computed taxable income using special provisions of the Internal Revenue Code. Also, regulated investment companies and real estate investment trusts generally passed their net incomes on to be taxed at the shareholder level; but any taxable amounts not distributed were included in income subject to tax.

amount of tax liability reported by FCDCs increased to \$50.0 billion for 2006 from \$42.4 billion for 2005, a 17.8-percent increase.

The “Largest” Foreign-Controlled Domestic Corporations

This article defines the largest companies as those with at least \$250 million of total assets, or those that produced at least \$50 million of business receipts. Within the finance and insurance, and management of companies (holding companies) industrial sectors, total receipts were used in place of business receipts for selecting the largest companies.

Both size of assets and size of receipts were used to select the largest companies in order to ensure adequate coverage of all industries. As discussed, financial structure varies across industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their end-of-year 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 underrepresented in comparison to the other group.

Table 4 shows data for the largest FCDCs apportioned by industrial sectors. This table also contains data for large domestic corporations that were not foreign-controlled. These “other domestic corporations” (ODCs) 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’s stock). This definition of other large domestic corporations is used throughout this article, including the data shown in Figures F through H. Thus, domestic corporations with a foreign person who owned between 25 percent and 49 percent of the corporation’s stock are not included in either of the two groups shown in Figures F through H, and Table 4.¹⁷ These corporations are identified from Schedule K of Form 1120 during Statistics of Income processing. However, they are neither FCDCs nor ODCs, as defined.

Table 4 shows that there were a total of 19,241 large domestic corporations for 2006. Of this total, foreign persons controlled 3,948 corporations, or 20.5 percent. This percentage is remarkably larger than the 1.1 percent that FCDCs accounted for of all corporations, regardless of size.

The 3,948 large foreign-controlled domestic corporations comprised just 6.2 percent of the number of income tax returns filed by FCDCs. However, these large companies accounted for the majority of the key FCDC financial items, reporting 94.5 percent of the total assets, 94.9 percent of the total receipts, 93.1 percent of the taxable income, and 92.3 percent of the total income tax after credits, of all FCDCs.

There were 15,293 large domestic corporations that did not have controlling foreign owners for 2006. Similar to FCDCs, 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 comprised a significant portion of the key financial items reported for these filers.

The largest domestic corporations are primarily “old” corporations, with incorporation dates prior to 2004. Of the 3,948 large FCDCs contained in the Tax Year 2006 study, 90.1 percent were old corporations. Other large domestic corporations were similar to the FCDCs in this respect, with old corporations accounting for 91.4 percent of this group of 15,293 corporations. See Figures F1 and F2.

In previous years, the largest companies generally reported larger profits as a percentage of receipts than their smaller counterparts. However, for 2006, this was not the case. The largest FCDCs reported net profits of \$161.7 billion, 4.4 percent of the companies’ receipts. The smaller FCDCs reported net profits of \$10.8 billion, 5.5 percent of the companies’ receipts.

Industry Characteristics

The industrial makeup of the largest foreign-controlled domestic companies is somewhat different from that of other domestic corporations. For 2006, 37.5 percent of the largest FCDCs were classified

¹⁷ 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 FCDCs and other large domestic corporations shown in Figures F through H, 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 (REITs), regulated investment companies (RICs), and S corporations.

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Figure F1

"Large" Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2006

[Money amounts are in millions of dollars]

Percentage of total income tax after credits divided by total receipts	All returns			Returns of "old" corporations		Total assets		Total receipts	
	Number	Percentage of total	Cumulative percentage	Number	Percentage of all returns	Amount	Average	Amount	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	3,948	100.0	N/A	3,557	90.1	9,209,383	2,333	3,642,030	923
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	4	0.1	0.1	d	d	3,510	878	0	0
Zero percent	1,061	26.9	27.0	911	85.9	891,847	841	582,290	549
Greater than zero and under 0.5 percent	1,059	26.8	53.8	976	92.2	3,624,537	3,423	1,054,436	996
0.5 percent under 1.0 percent	431	10.9	64.7	399	92.6	1,466,612	3,403	743,843	1,726
1.0 percent under 1.5 percent	290	7.3	72.0	271	93.4	384,948	1,327	284,638	982
1.5 percent under 2.0 percent	230	5.8	77.8	212	92.2	493,340	2,145	393,611	1,711
2.0 percent under 3.0 percent	275	7.0	84.8	247	89.8	484,590	1,762	186,504	678
3.0 percent under 4.0 percent	208	5.3	90.1	187	89.9	662,981	3,187	182,983	880
4.0 percent under 5.0 percent	104	2.6	92.7	92	88.5	316,709	3,045	60,269	580
5.0 percent under 7.5 percent	125	3.2	95.9	116	92.8	548,153	4,385	83,068	665
7.5 percent under 10.0 percent	61	1.5	97.4	d	d	56,747	930	26,077	427
10.0 percent or more	100	2.5	100.0	87	87.0	275,411	2,754	44,312	443

Percentage of total income tax after credits divided by total receipts	Total deductions	Total receipts less total deductions	Net income (less deficit)			Income subject to tax	Total income tax		
			Total	Net income	Deficit		Before credits	After credits	Average
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total	3,484,182	157,849	161,718	191,822	-30,105	159,482	56,297	46,095	12
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	80	-80	-80	0	-80	0	0	0	0
Zero percent	605,439	-23,149	-22,299	5,117	-27,416	1,180	410	0	0
Greater than zero and under 0.5 percent	1,029,246	25,190	25,706	28,301	-2,595	10,912	4,107	1,257	1
0.5 percent under 1.0 percent	711,351	32,492	33,838	33,844	-6	30,190	10,606	6,486	15
1.0 percent under 1.5 percent	272,033	12,605	12,669	12,677	-7	11,338	3,995	3,650	13
1.5 percent under 2.0 percent	372,575	21,035	21,138	21,138	0	19,981	7,000	6,650	29
2.0 percent under 3.0 percent	171,245	15,259	15,450	15,450	0	14,857	5,216	4,610	17
3.0 percent under 4.0 percent	161,920	21,063	21,744	21,744	0	19,268	6,794	6,130	29
4.0 percent under 5.0 percent	51,838	8,432	8,557	8,557	0	8,119	2,820	2,642	25
5.0 percent under 7.5 percent	66,857	16,211	16,165	16,165	0	15,920	5,568	5,197	42
7.5 percent under 10.0 percent	19,464	6,613	6,640	6,640	0	6,624	2,321	2,189	36
10.0 percent or more	22,134	22,178	22,189	22,189	0	21,093	7,461	7,284	73

N/A—Not applicable.

d—Not shown to avoid disclosure of information about specific corporations. However, data are included in the appropriate totals.

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). "Old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Detail may not add to totals because of rounding.

as manufacturers, while manufacturers made up just 21.4 percent of the largest domestic companies that were not foreign-controlled. Similarly, wholesalers were a larger share of the FCDCs (28.0 percent) than

of the other large domestic corporations (14.8 percent). Conversely, 12.9 percent of the largest ODCs were classified in finance and insurance, while this sector made up just 7.8 percent of the largest FCDCs.

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Figure F2

"Large" Domestic Corporations Not Foreign Controlled: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2006

[Money amounts are in millions of dollars]

Percentage of total income tax after credits divided by total receipts	All returns			Returns of "old" corporations		Total assets		Total receipts	
	Number	Percentage of total	Cumulative percentage	Number	Percentage of all returns	Amount	Average	Amount	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	15,293	100.0	N/A	13,971	91.4	44,987,115	2,942	14,479,104	947
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	9	0.1	0.1	5	55.6	19,529	2,170	0	0
Zero percent	3,666	24.0	24.1	3,087	84.2	3,426,070	935	1,731,258	472
Greater than zero and under 0.5 percent	4,018	26.3	50.4	3,795	94.4	4,222,794	1,051	2,618,742	652
0.5 percent under 1.0 percent	1,385	9.1	59.5	1,284	92.7	5,050,437	3,647	1,830,202	1,321
1.0 percent under 1.5 percent	1,005	6.6	66.1	938	93.3	8,461,696	8,420	1,889,531	1,880
1.5 percent under 2.0 percent	747	4.9	71.0	683	91.4	2,385,499	3,193	1,277,247	1,710
2.0 percent under 3.0 percent	1,147	7.5	78.5	1,079	94.1	5,909,998	5,153	1,789,049	1,560
3.0 percent under 4.0 percent	816	5.3	83.8	776	95.1	6,407,480	7,852	1,468,205	1,799
4.0 percent under 5.0 percent	592	3.9	87.7	544	91.9	1,866,238	3,152	636,408	1,075
5.0 percent under 7.5 percent	968	6.3	94.0	906	93.6	5,262,431	5,436	883,334	913
7.5 percent under 10.0 percent	494	3.2	97.2	468	94.7	1,207,560	2,444	208,715	423
10.0 percent or more	445	2.9	100.0	406	91.2	767,382	1,724	146,413	329

Percentage of total income tax after credits divided by total receipts	Total deductions	Total receipts less total deductions	Net income (less deficit)			Income subject to tax	Total income tax		
			Total	Net income	Deficit		Before credits	After credits	
								Amount	Average
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
Total	13,475,580	1,003,524	1,068,755	1,158,410	-89,655	1,037,923	367,253	278,815	18
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	47	-47	-44	3	-47	0	0	0	0
Zero percent	1,808,277	-77,019	-70,657	13,775	-84,432	5,476	1,788	0	0
Greater than zero and under 0.5 percent	2,548,313	70,430	81,922	86,698	-4,776	37,936	14,244	3,682	1
0.5 percent under 1.0 percent	1,726,824	103,378	112,691	112,853	-162	95,317	34,216	13,993	10
1.0 percent under 1.5 percent	1,789,754	99,777	109,380	109,522	-142	104,736	36,477	23,047	23
1.5 percent under 2.0 percent	1,201,769	75,478	80,871	80,895	-23	76,785	27,251	22,708	30
2.0 percent under 3.0 percent	1,622,426	166,623	176,781	176,823	-42	165,187	59,044	44,773	39
3.0 percent under 4.0 percent	1,300,899	167,306	170,954	170,954	0	164,124	57,471	48,813	60
4.0 percent under 5.0 percent	541,225	95,182	95,719	95,719	0	90,579	31,704	28,395	48
5.0 percent under 7.5 percent	704,009	179,326	185,285	185,316	-32	174,514	61,906	53,301	55
7.5 percent under 10.0 percent	154,796	53,919	55,210	55,210	0	53,909	18,849	17,432	35
10.0 percent or more	77,241	69,172	70,642	70,642	0	69,361	24,302	22,672	51

N/A—Not applicable.

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). "Old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Detail may not add to totals because of rounding.

Retailers accounted for 11.0 percent of the largest domestic companies that were not foreign-controlled, while only 3.1 percent of the largest FCDCs were similarly classified. See Figure G for other differences in the industrial makeup of these two groups of corporations.

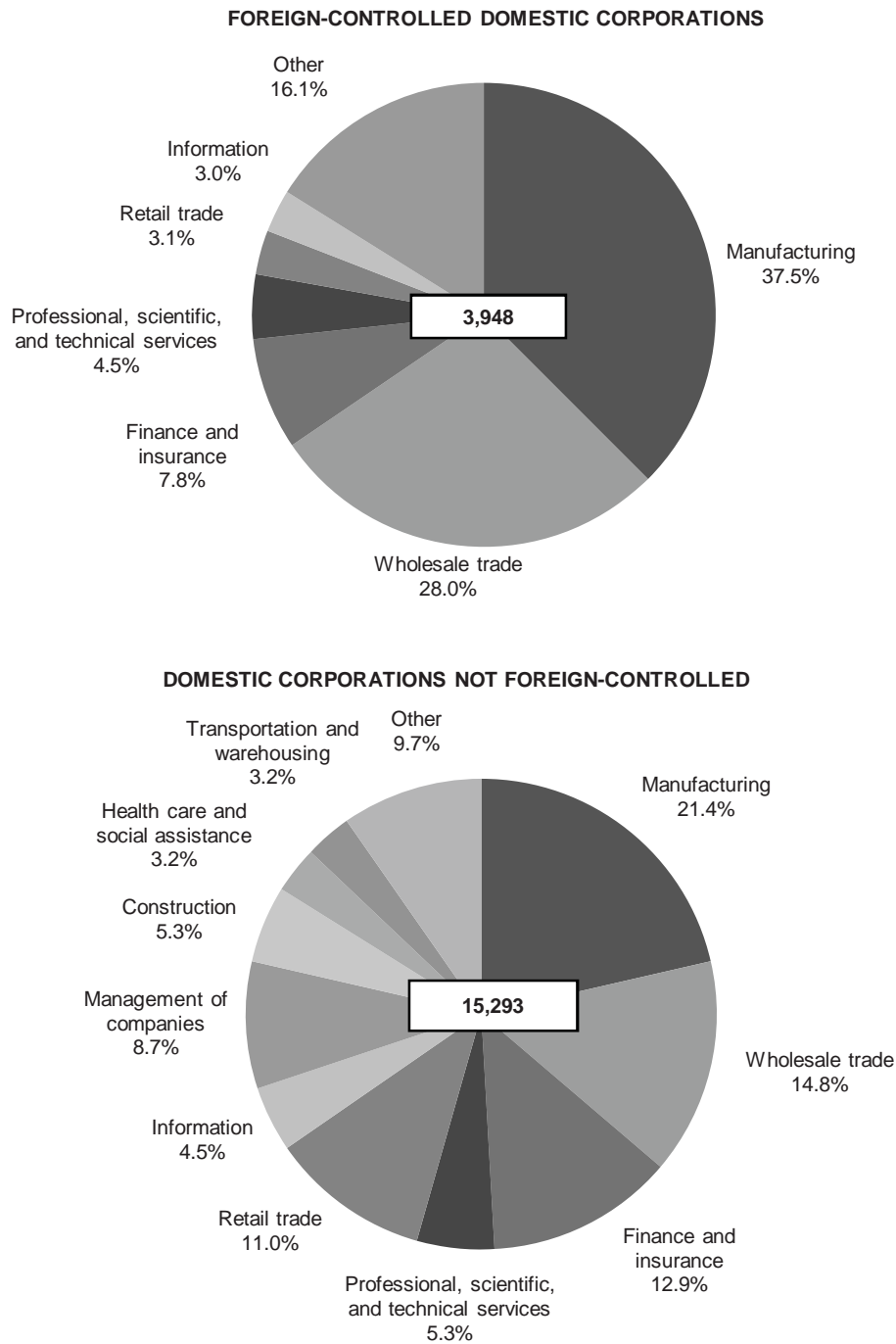
Table 4 presents industrial sector-level data for the largest domestic corporations, both foreign- and nonforeign-controlled. Column 43 of this table shows the percentage of returns that reported profits (i.e., positive net income). While 75.7 percent of large FCDCs reported profits, 78.3 percent of other

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Figure G

Distribution of Returns by Industry for "Large" Foreign-Controlled and Other Domestic Corporations, Tax Year 2006



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). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.

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large domestic corporations were profitable. There are 19 different industrial sectors shown in the table, treating wholesale trade and retail trade as separate sectors. Other domestic corporations (ODCs) had higher percentages of profitable companies in 10 sectors; FCDCs had higher percentages in the other 9 sectors. For a given sector, the difference in the percentages for FCDCs and ODCs might be large or small. Within each group of corporations, the percentage of corporations that reported a profit varied substantially across the industrial sectors. For this reason, it is important to compare the two types of corporations for a specific industry, rather than for all industries. This will be discussed later in this article, specifically looking at the two key industrial sectors for FCDCs: manufacturing and wholesale trade.

Column 57 of Table 4 shows the ratio of net income (less deficit) to total receipts.¹⁸ Overall, net income (less deficit) as a percentage of receipts for large FCDCs (4.4 percent) was considerably smaller than for ODCs (7.4 percent). Within each group of corporations, the ratio of profits to receipts varied across the industrial sectors. Other domestic corporations had higher ratios of net income (less deficit) to receipts than FCDCs in 12 out of 19 industrial sectors.

The ratio of taxable income (i.e., “income subject to tax”) to total receipts is shown in column 61 of Table 4. This ratio, unlike the ratio of net income (less deficit) to total receipts discussed earlier, excludes deficits, and includes the amount of statutory special deductions reported on tax returns.

FCDCs generally had lower ratios of taxable income to receipts than those of other domestic corporations, 4.4 percent for FCDCs versus 7.2 percent for ODCs for all industries. For each group of large corporations, the ratio of taxable income to receipts varied among the different industrial sectors. Of the

19 different industrial sectors shown in the table, ODCs had higher taxable income as a percentage of receipts in 14 sectors.

Table 4 also includes the ratio of total U.S. income tax after credits to total receipts (column 64).¹⁹ The total income tax after credits reported by both FCDCs (\$46.1 billion) and ODCs (\$278.8 billion) represents the tax liability of these companies as reported on their originally filed U.S. income tax returns (see column 42).

The ratio of tax to receipts shown in column 64 of Table 4 takes into account only the U.S. tax liabilities of the corporations. Additional data, which are beyond the scope of this article, would be required to examine the worldwide tax liabilities of the corporations.²⁰

Figures F1 and F2 present 12 categories of U.S. tax liability as a percentage of total receipts, shown separately for large FCDCs and for large ODCs. For 2006, Figure F1 shows that large FCDCs reported \$46.1 billion of total income tax after credits, 1.3 percent of their total receipts. Column 3 of Figure F1 shows that 27.0 percent of FCDCs had no U.S. tax liabilities, 64.7 percent of the companies had tax liabilities of less than 1.0 percent of their receipts, and 90.1 percent of the companies had tax liabilities of less than 4.0 percent of their receipts. By comparison, Figure F2 shows that large domestic corporations not foreign-controlled reported \$278.8 billion of total income tax after credits, 1.9 percent of their total receipts. For these companies, 24.1 percent had no tax liabilities, 59.5 percent had tax liabilities of less than 1.0 percent of their receipts, and 83.8 percent had tax liabilities of less than 4.0 percent of their receipts.

FCDCs claimed smaller amounts of tax credits than ODCs in relative terms. For 2006, large FCDCs

¹⁸ Net profits (i.e., net income (less deficit)) is one of the key factors that affect the amount of retained earnings of corporations. Columns 12-14 of Table 4 show corporate total, appropriated, and unappropriated retained earnings, respectively. The amounts of retained earnings 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—2006, Corporation Income Tax Returns*.) 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. For 2006, the largest FCDCs reported \$11.5 billion of total retained earnings, while other large domestic corporations reported \$4.2 trillion of retained earnings. Retained earnings is a component of net worth and thus affects the ratio of net income (less deficit) to net worth, which is shown in column 56 of Table 4.

¹⁹ 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 over 99 percent of the total income tax for both FCDCs and ODCs.

²⁰ One focus of this article is U.S. total income tax after credits. The reader might choose 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. For the most recent statistics covering corporate foreign tax credits in depth, see Luttrell, Scott, “Corporate Foreign Tax Credit, 2004,” in the Summer 2008 issue of the *Statistics of Income Bulletin* (Volume 28, Number 1). In addition, foreign tax credit data are included on the IRS Internet site at www.irs.gov, under Tax Stats/International/Corporate Foreign Tax Credits.

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claimed \$10.2 billion of credits, equaling 18.1 percent of their income tax liabilities before credits. Other large domestic corporations claimed \$88.4 billion of credits for the same tax year, equaling 24.1 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$7.9 billion by large FCDCs (14.1 percent of their tax liabilities) and \$69.5 billion by other large domestic corporations (18.9 percent of their tax liabilities).

Overall, while large FCDCs reported average tax liabilities after credits of \$1.27 per \$100 of receipts (or 1.27 percent), other domestic corporations reported tax liabilities after credits of \$1.93 per \$100 of receipts (or 1.93 percent). Of the 19 different industrial sectors shown in Table 4, ODCs had higher tax to receipts ratios in 15 sectors.

Table 4 highlights once again the differences in financial characteristics of corporations in different industries. For instance, looking at large FCDCs, finance and insurance companies have a higher ratio of net income (less deficit) to receipts (4.8 percent) than do wholesalers (3.1 percent); see column 57. Because the percentages of companies allocated by principal industrial activities are not the same for the largest FCDCs as they are for ODCs, this, again, illustrates the importance of comparing the two groups of corporations on an industry basis. This article will now look at two specific industrial sectors that are important to FCDCs, manufacturing and wholesale trade.

Manufacturing was a significant industrial sector for large FCDCs, accounting for nearly one-half of the total receipts of the group of corporations. Both large manufacturing FCDCs and ODCs were primarily “old” corporations; 89.9 percent of FCDCs and 89.5 percent of ODCs were incorporated before 2004. Large ODC manufacturers had higher percentages than those of large FCDC manufacturers in each of four calculations. Specifically, the percentage of ODCs in this industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 73.3 percent and 72.6 percent, respectively (see column 43 of Table 4). Looking at the actual amounts of those positive profits and also accounting for losses reported by the remaining companies, the percentage of net income (less deficit) to total receipts was significantly higher for ODCs, 7.6 percent, than it was for FCDCs, 4.3 percent (see column 57 of Table 4). Net income (less deficit) as a percentage

of total receipts for Tax Years 1999-2006 is shown in Figure H. The difference in the percentages for large FCDCs and large ODCs for Tax Year 2006 is similar to the differences for each of the 7 previous tax years.

Large manufacturing ODCs reported taxable incomes of 7.6 percent of their receipts, while the percentage for large FCDCs was smaller at 4.4 percent (see column 61 of Table 4). The ratios of total income tax after credits to total receipts for ODCs and FCDCs were 1.6 percent and 1.2 percent, respectively (see column 64 of Table 4). The relative similarity of these tax to receipts ratios is partially explained by the difference in the amounts of credits that the two groups of corporations reported. ODCs reported larger credits than did the FCDCs, thereby reducing their postcredit tax liabilities by a larger portion. ODCs reported credits equaling 40.8 percent of their precredit income tax liabilities. For FCDCs, the percentage was substantially less, at 22.0 percent. For both groups of corporations, foreign tax credits accounted for most of the total credits.

Wholesale trade was also a significant industrial sector for large FCDCs, accounting for 20.1 percent of the total receipts of the group of corporations. Most large FCDCs (93.8 percent) and ODCs (94.3 percent) in this sector were “old” corporations, incorporated before 2004. The percentage of ODCs in this industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 84.3 percent and 83.1 percent, respectively. Looking at the amounts of both profits and losses across the entire sector, the percentage of net income (less deficit) to total receipts was somewhat higher for ODCs (3.8 percent) than it was for FCDCs (3.1 percent). Figure H shows that the difference in percentages (of net income (less deficit) as a percentage of total receipts) between ODCs and FCDCs was often small for each of the 8 Tax Years 1999-2006. In particular, the differences for Tax Years 1999, 2000, 2002, 2003, and 2005 were small.

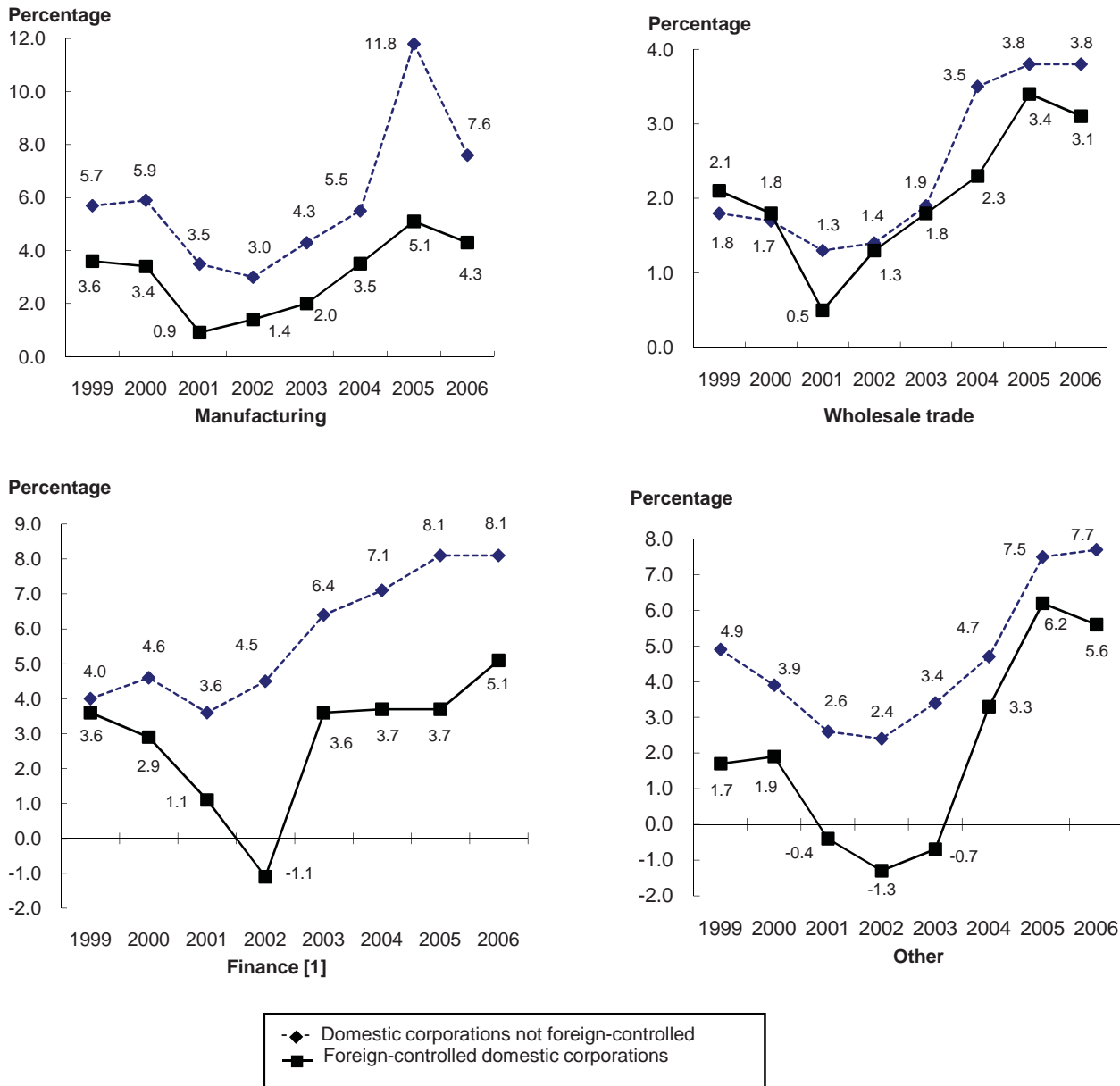
Large wholesale ODCs reported taxable incomes of 3.9 percent of their receipts, while the percentage was 3.1 for FCDCs. The ratio of total income tax after credits to total receipts was virtually identical for ODCs (1.1 percent) and FCDCs (1.0 percent). These percentages are once again impacted by the amount of credits claimed by both groups of corporations. ODCs reported much larger credits than did the FCDCs, thereby reducing their postcredit tax li-

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Figure H

"Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts, by Control Status and Industry, Tax Years 1999-2006



[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). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.

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abilities by a larger portion. ODCs reported credits equaling 15.0 percent of their precredit income tax liabilities. For FCDCs, the percentage was much smaller, at just 6.7 percent. For both groups of corporations, the foreign tax credit was the largest credit.

Summary

The number of income tax returns filed by FCDCs increased by 3.4 percent for 2006, to 63,951. FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for the year. This percentage is much smaller than the percentages of receipts (14.0 percent) and assets (13.3 percent) that FCDCs produced.

FCDC assets grew for 2006, as did the assets for all corporations. FCDC assets totaled \$9.7 trillion for 2006, a 5.7-percent increase from the previous year. By comparison, all corporations reported a total of \$73.1 trillion of assets for 2006, a 10.0-percent increase over the previous year. FCDCs accounted for 13.3 percent of total corporate assets for 2006, down from 13.9 percent for the previous year.

Foreign business activity in the United States through FCDCs grew for Tax Year 2006. FCDCs reported \$3.8 trillion of total receipts for the year, a 9.5-percent increase over the 2005 level. Total receipts reported on all U.S. corporation income tax returns increased comparatively less, by 7.4 percent from the previous year. As a result, the share of total corporate receipts accounted for by FCDCs increased from 13.7 percent to 14.0 percent.

Two industrial sectors, manufacturing and wholesale trade, generated more than two-thirds of the \$3.8 trillion of total FCDC receipts. Manufacturers produced \$1.8 trillion of receipts, while wholesalers accounted for an additional \$0.8 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$0.9 trillion, 23.2 percent of the FCDC total. In addition, FCDCs owned by persons in Japan (16.1 percent), Germany (12.9 percent), Canada (9.4 percent), the Netherlands (7.5 percent), France (6.3 percent), and

Switzerland (4.9 percent) accounted for significant portions of receipts.

FCDC profits were somewhat larger, by 4.5 percent, than those of the previous year. The collective net income (less deficit) reported by foreign-controlled domestic corporations increased from \$165.2 billion for 2005 to \$172.6 billion for 2006. To place the performance of FCDCs in context, total corporate profits decreased slightly, by 0.8 percent, remaining at \$1.9 trillion for 2006.

The U.S. tax liability of FCDCs (i.e., total income tax after credits) moved in the same direction as did profits, increasing from \$42.4 billion for 2005 to \$50.0 billion for 2006, or by 17.8 percent. To place this in perspective, the 2006 U.S. tax liabilities of all corporations were 13.1 percent more than the previous year.

Of the 63,951 foreign-controlled domestic corporations, the 3,948 “largest” companies accounted for most of the total amounts of key financial items (e.g., 94.5 percent of the total assets, 94.9 percent of the total receipts, 93.1 percent of the taxable income, and 92.3 percent of the total income tax after credits).

In comparing the 3,948 large foreign-controlled domestic corporations to the 15,293 other large domestic companies on the basis of industry, FCDCs had lower performances than ODCs in most sectors using each of the following four criteria: (1) percentage of corporations that reported profits, (2) percentage of net income (less deficit) to total receipts, (3) percentage of taxable income to total receipts, and (4) percentage of total income tax after credits to total receipts.²¹

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--2006, Corporation Income Tax Returns*, IRS Publication 16.

Alternative Minimum Tax—This tax was designed to ensure that a taxpayer with substantial economic income would have at least a minimum amount of income tax liability in spite of the legiti-

²¹ While this article has been able to compare several key ratios related to the profits and taxes reported by foreign-controlled domestic corporations and other domestic corporations on the same bases of size and industry, additional research is needed to explain the differences in those ratios. For additional information on this subject, see “Tax Administration: Comparison of the Reported Tax Liabilities of Foreign- and U.S.-Controlled Corporations, 1998-2005,” U.S. Government Accountability Office, GAO-08-957, July 2008. 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.

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mate use of exclusions, deductions, and credits. In effect, it provided a second tax system that curtailed or eliminated many of the means of reducing taxes allowed in the regular tax system and taxed the resulting alternative taxable income at a reduced rate. The AMT is included in the amounts reported for both total income tax before (and after) credits.

Balance sheets—The balance sheet data presented in this article were the amounts reported by the taxpayer as of the end of the taxpayer's accounting year. Taxpayers were instructed to provide data that agreed with their books of account but were given very few other guidelines. Thus, the statistics for balance sheets contained more reporting variability than those for income statement and tax computation items. Since balance sheet data were from the taxpayer's books, they were generally governed by general accounting principles rather than the special rules of tax accounting. A number of steps were taken during statistical processing to reduce the variability due to taxpayer reporting practices. Misreported amounts were transferred to their proper accounts. Missing balance sheets were either supplied from reference books or statistically imputed based on other data and the company's characteristics. Some balance sheets were suppressed for final returns of corporations going out of existence and for most part-year returns (because the same company's end-of-year data could have been subject to inclusion from its full-year return).

Business receipts—These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. They represented all of a corporation's receipts except investment and incidental income. Business receipts also exclude gains from the sale of assets. 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 by real estate operators and other corporations for which rent made up a significant portion of income. The latter corporations included manufacturers that rented their products, lessors of public utility facilities, and companies engaged in rental

services, such as lodging places and the rental of automobiles. Business receipts include such banking items as fees, commissions, and credit card income. Interest, the principal operating income of banking and other financial 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. Security dealers included profits from security trades in business receipts.

Constructive ownership rules—The constructive ownership rules of Internal Revenue Code (IRC) 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 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 is the sum of includable income from Controlled Foreign Corporations (CFCs) and foreign dividend gross-up. IRC sections 951-964 ("Subpart F") created an exception to the general rule that the earnings and profits of CFCs were subject to U.S. taxation only when the income was actually distributed to U.S. shareholders.²² Under Subpart F, some types of foreign income are required to be included in the income of the U.S. shareholders, although not actually distributed. This includable income comprises passive investment income, income from sources thought especially easy to shift between tax jurisdictions, and income from sources contrary to public policy. Foreign dividend gross-up is constructive taxable income to corporations that claim a foreign tax credit. A U.S. corporation could claim a foreign tax credit for a share of the foreign taxes actually paid by its related foreign corporations. The share of foreign taxes was treated as deemed paid by the U.S. corporation. In order to receive credit against U.S. tax, the foreign taxes deemed paid need to be included in the corporation's worldwide income. The dividend gross-up, which is the equivalent amount of the foreign taxes deemed

²² For the most recent statistics covering CFCs, see Mahony, Lee and Miller, Randy, "Controlled Foreign Corporations, 2004," *Statistics of Income Bulletin*, Summer 2008, Volume 28, Number 1. In addition, CFC data are included on the IRS Internet site at www.irs.gov, under Tax Stats/International/Controlled Foreign Corporations.

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paid by the U.S. corporation, is included as income of the U.S. corporation. Constructive taxable income from related foreign corporations is not included in the statistics for total receipts.

Cost of goods sold—This item generally consisted of the costs incurred by corporations in producing the goods or providing the services that generated the business receipts. Included were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and a share of 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, 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 plus noncurrent assets equal total assets. Table 4 of this article includes separate data for current assets and noncurrent assets. 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 and nontrade receivables. 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 taxes, payrolls, and other 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.

Dividends received from domestic corporations—These dividends represented most distributions from the earnings and profits of companies incorporated in the United States. They were generally used in computing the special deduction from net in-

come for dividends received. Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts.

Dividends received from foreign corporations—These were dividends paid from the earnings and profits of companies incorporated in foreign countries. This item does not include constructive taxable income from related foreign corporations (discussed above) because it was not an actual receipt. Dividends received from foreign corporations out of U.S. source earnings and profits or from Foreign Sales Corporations were usually eligible for the dividends received deduction. Not eligible were dividends out of foreign-source earnings and profits.

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 IRC section 7701(a)(31), and (6) 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, consisted of (positive) net income minus certain statutory special deductions. However, there were special provisions in the Internal Revenue Code for determining

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the taxable income of S corporations and insurance companies.

Income tax—This item was the amount of a corporation's tax liability calculated at the regular corporate tax rates. It is included in the amounts reported for both total income tax before (and after) credits. A small number of corporations without net income had an income tax liability under special life insurance rules.

Interest—This item is taxable interest, a component of total receipts. It includes interest on U.S. Government obligations, loans, notes, mortgages, corporate bonds, bank deposits, and dividends from savings and loans and mutual savings banks. This item does not include interest received from certain government obligations not subject to U.S. income tax, including those issued by States, local governments, the District of Columbia, and U.S. possessions.

Net income (or deficit)—This is a company's net profit or loss from taxable sources of income reduced by deductions allowed by the Internal Revenue Code. 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 deductions include ordinary and necessary business deductions, but do not include statutory special deductions. The statistics for (positive) net income are generally larger than those for "income subject to tax" because the latter is reduced by the amount of statutory special deductions, including the net operating loss deduction. In this article, for a group of returns, this item may be referred to as either "profits" (i.e., net income exceeds deficits) or "losses" (deficits exceed net income). On Form 1120, net income (or deficit) was reported on page 1, line 28, entitled "Taxable income before net operating loss deduction and special deductions."

Net operating loss deduction (NOLD)—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. Similarly, 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. A "net operating loss" is calculated using the laws and IRS regulations in effect for a given tax year, and is the excess of al-

lowable deductions over taxable income, with certain adjustments. The amount of the deduction included in the statistics of this article, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (2006) tax year. Losses incurred after Tax Year 2006 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 2006 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 in 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 sum of capital stock, additional paid-in capital, appropriated retained earnings, and unappropriated retained earnings (including adjustments to shareholders' equity), minus 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 that 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 include the number of returns filed by "active" corporations (i.e., those reporting at least one item of income or deductions) for Tax Year 2006. 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.

Real estate investment trusts—Domestic corporations, trusts, and associations that meet certain ownership, purpose, income, and diversification requirements may elect to be taxed as real estate investment trusts (REITs). Foreign-controlled domestic corporations can be REITs. However,

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REITs played a much larger role for ODCs than for FCDCs.²³ REITs 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; and gains from the sale of stock, securities, and 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; and dividends and gains from the sale of transferable shares in other REITs; etc. The tax liability of REITs is generally very low. This is because, through a statutory special deduction for dividends paid, REITs are not taxed on amounts distributed to shareholders. In general, REITs must distribute to their shareholders at least 90 percent of their taxable incomes. 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 RICs. However, RICs played a much larger role for ODCs than for FCDCs.²³ 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 RICs is generally very low. This is because, through a statutory special deduction for dividends paid, RICs are not taxed on amounts distributed to shareholders. In general, RICs 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 has elected to be taxed through its shareholders under Internal Revenue Code section 1362. The IRC contains re-

strictive criteria that a company must meet in order to qualify as an S corporation, which include the number and types of shareholders. These companies are involved in numerous industrial activities. They report corporate income and deductions from their conduct of trades and businesses, but generally allocate any income or loss to their shareholders to be taxed only at the individual level. S corporations comprise a very large part of the corporate population. However, foreign-controlled domestic corporations cannot elect to be treated as S corporations.²³

Statutory special deductions—In general, net income less statutory special deductions equals income subject to tax. This item is the sum of: (1) deductions for net operating loss carryovers from prior years, and (2) special deductions for dividends and other corporate attributes allowed by the Internal Revenue Code, which includes: (a) dividends received deductions, (b) deductions for dividends paid on certain stock of public utilities, (c) deductions for dividends paid by regulated investment companies and real estate investment trusts, (d) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts, and (e) Code section 806(a) small life insurance company deductions. These deductions were in addition to ordinary and necessary business deductions.

Total assets—This item represented 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 reserve for bad debts.

Total income tax before and after credits—For 2006, total income tax of FCDCs was primarily comprised of the income tax imposed on corporate income subject to tax (99.0 percent of the total tax). The alternative minimum tax accounted for 1.0 percent of the total. A small number of corporation income tax 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. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture

²³ Shown in Appendix A of this article are Tax Year 2006 data for all REITs, RICs, and S corporations, regardless of size, filed by foreign-controlled domestic corporations (FCDCs) and by other domestic corporations (ODCs).

taxes. 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 the taxes on undistributed net capital gains of regulated investment companies. Total income tax included an adjustment that could be either positive or negative. This adjustment was used for write-in amounts on the tax computation schedule (e.g., Schedule J of Form 1120), as well as for differences in total tax reported on the tax computation schedule and reported on the tax and payments section of the tax return (e.g., Page 1 of Form 1120). For 2006, the credits used to reduce the total income tax of FCDCs primarily included the foreign tax credit (77.4 percent of the \$10.4 billion of total credits), the general business credit (13.7 percent), and the prior-year minimum tax credit (8.7 percent), as well as small amounts of the U.S. possessions tax credit and the qualified zone academy bond credit.

Total receipts—This item includes all of the 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 2006 are based on returns with accounting periods that ended between July 2006 and June 2007. These accounting periods were 12 months in length, or less for part-year accounting periods. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include accounting periods that began and ended within a 23-month span. For Tax Year 2006, that span was from August 2005 through June 2007. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2006. Of the 63,951 FCDC returns filed for Tax Year 2006, 42,527 had accounting periods that ended in December 2006, 66 percent of the total. These returns accounted for 77 percent of both the receipts and deductions reported by all FCDCs, as well as 86 percent of the FCDC assets.

The sampling frame for the 2006 statistics consisted, in general, of tax returns with accounting periods that ended between July 2006 and June 2007, and that posted to the IRS Business Master File between July 2006 and June 2008. A 24-month sampling period was needed for several reasons. First, some corporations had noncalendar year accounting periods ending as late as June 2007. Second, while corporation returns must be filed within 2 1/2 months after the close of the accounting period, many corporations requested and received filing extensions of 6 months. Third, normal administrative processing time lags required that the sampling process remained open until June 2008.

Returns Covered

The number of returns shown in this article represents returns of “active” corporations, i.e., those that 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. Nonprofit corporations, exempt farmers’ cooperatives, and certain other incorporated organizations did not file corporation income tax returns and are not included in the statistics shown in this article. Part-year returns, those filed

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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.

Sample

This article presents statistical estimates based on a stratified sample of over 8,200 unaudited tax returns selected from nearly 64,000 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2006. The statistics for FCDCs 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 FCDCs include data from the small numbers 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 2006, FCDCs filed only 41 Forms 1120L, 274 Forms 1120-RIC, 91 Forms 1120-REIT, and 40 Forms 1120-PC.²⁴ FCDCs could not file Forms 1120-A, 1120-F, and 1120S. The statistics for the largest FCDCs shown in Figures F through H, and in Table 4, exclude Forms 1120-RIC and 1120-REIT.

Form 1120 sampled returns were stratified based on the size of total assets and the 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 the size of total assets.

For 2006, 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 \$50 million or more, or with “proceeds” of \$10 million or more, were selected for the Statistics of Income study at the 100-percent sampling rate. Thus, most if not all of the “largest” FCDCs (and other domestic corporations as well) were selected at the 100-percent rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data shown in this article. For additional information on the sampling rates, see *Statistics of Income--2006, 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 (CVs) are used to measure that magnitude. Figure I shows CVs for selected financial data of selected industrial sectors and selected countries of the foreign owners. For a general discussion of sampling procedures, see 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 the 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 one “foreign person” owned, directly or indirectly, 25 percent or more of the filing corporation’s voting stock or of the total value of all the corporation’s stock, at any time during the tax year. If this question was answered “Yes,” then

²⁴ The counts of 41 Forms 1120L and 40 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 2006, there were 125 section 1504(c) returns of foreign-controlled domestic corporations. Of this number, 58 returns had a property/casualty insurance company as the largest subsidiary, another 58 returns had a noninsurance company as the largest subsidiary, and 9 returns had a life insurance company as the largest subsidiary.

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Figure I

Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Sector and Selected Country of Foreign Owner, Tax Year 2006

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	4.14	0.03	0.15	0.14	0.66	0.15	0.17
Selected industrial sector:							
Construction	27.25	0.94	1.72	2.59	5.03	2.08	1.98
Finance and insurance	13.11	0.01	0.17	0.21	1.47	0.35	0.37
Information	20.59	0.13	0.98	0.63	2.74	0.74	0.72
Management of companies (holding companies)	21.06	0.05	0.12	0.36	5.04	0.31	0.33
Manufacturing	9.74	0.05	0.12	0.15	0.89	0.16	0.19
Professional, scientific, and technical services	14.80	0.55	1.57	1.86	4.03	2.13	2.24
Real estate and rental and leasing	9.03	0.89	1.43	1.77	4.12	1.80	1.76
Retail trade	20.79	0.45	0.48	1.01	7.93	1.05	1.02
Wholesale trade	8.00	0.28	0.48	0.50	2.64	0.53	0.54
Selected country of foreign owner:							
Bermuda	20.27	0.11	0.39	0.55	1.93	0.50	0.68
Canada	11.47	0.10	0.70	0.62	2.65	0.88	0.83
France	19.66	0.05	0.30	0.41	0.88	0.49	0.51
Germany	15.25	0.06	0.30	0.52	1.39	0.71	0.86
Japan	11.31	0.14	0.44	0.41	1.41	0.41	0.42
Netherlands	21.68	0.05	0.29	0.35	2.04	0.41	0.81
South Korea, Republic of	27.06	1.42	1.46	2.81	10.68	4.04	3.94
Sweden	48.14	0.45	0.76	1.54	13.93	1.68	1.66
Switzerland	20.21	0.04	0.67	0.37	2.49	0.40	0.41
United Kingdom	14.53	0.03	0.17	0.15	2.45	0.14	0.16
Venezuela	35.85	0.93	0.75	0.38	48.13	0.37	0.24

a second question asked for the percentage owned.²⁵ 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. Taxpayers sometimes incorrectly answered these questions or did not answer them at all.²⁶ However, prior to tabulation, corporations with large amounts of assets or receipts, and with changes in foreign ownership status between 2005 and 2006, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on the 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. 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 the 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

²⁵ 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.”

²⁶ The FCDC statistics include data from returns in which the first question (see footnote 25) was answered “Yes,” and the second question covering percentage owned was not answered. There were 2,316 returns for Tax Year 2006 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$24.2 billion of assets and \$40.4 billion of receipts.

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(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.

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 FCDCs 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.

Appendix A

REITs, RICs, and S Corporations Filed by Foreign-Controlled Domestic Corporations (FCDCs) and Other Domestic Corporations (ODCs), Tax Year 2006

[Money amounts are in millions of dollars]

Type of corporation and item	FCDCs	ODCs
Real estate investment trusts (REITs):		
Number of returns	91	1,318
Total assets	50,908	1,449,019
Total receipts	2,984	140,462
Net income (less deficit)	1,837	85,904
Income subject to tax	0	63
Total income tax after credits	0	61
Regulated investment companies (RICs):		
Number of returns	274	11,203
Total assets	245,009	11,978,848
Total receipts	6,621	402,693
Net income (less deficit)	5,102	296,727
Income subject to tax	0	4
Total income tax after credits	0	61
S corporations:		
Number of returns	0	3,872,766
Total assets	0	3,048,770
Total receipts	0	5,815,389
Total net income (less deficit)	0	386,202
Income subject to tax	0	1,603
Total income tax after credits	0	639

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Table 1. Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971-2006

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

Item	1971	1990	1997	2000	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ALL CORPORATIONS								
Number of returns, total	1,733,332	3,716,650	4,710,083	5,045,274	5,401,237	5,557,965	5,671,257	5,840,799
Number with net income	1,063,940	1,910,670	2,647,474	2,819,153	2,932,115	3,116,468	3,324,260	3,367,313
Total assets	2,889,221	18,190,058	33,029,652	47,026,872	53,644,785	60,117,759	66,445,430	73,080,647
Total receipts	1,906,008	11,409,520	16,609,707	20,605,808	20,689,574	22,711,864	25,504,789	27,401,874
Business receipts	1,763,760	9,860,442	14,460,929	17,636,551	18,264,394	19,975,876	21,800,290	23,310,310
Interest received [1]	65,596	942,238	1,140,011	1,576,101	1,132,675	1,337,626	1,712,271	2,242,464
Total deductions	1,824,063	11,032,575	15,704,242	19,691,592	19,940,595	21,636,156	23,612,766	25,501,558
Cost of goods sold	1,241,282	6,610,770	9,114,246	11,135,288	11,318,645	12,497,905	13,816,464	14,799,599
Interest paid	64,697	825,372	866,474	1,271,679	818,017	938,790	1,287,098	1,787,104
Total receipts less total deductions	81,945	376,945	905,465	914,216	748,980	1,075,708	1,892,024	1,900,316
Net income (less deficit)	79,700	370,633	915,397	927,526	779,989	1,111,693	1,948,655	1,933,374
Net income	96,688	552,527	1,117,825	1,336,620	1,175,609	1,455,797	2,234,882	2,239,614
Deficit	-16,988	-181,894	-202,428	-409,094	-395,620	-344,104	-286,227	-306,240
Income subject to tax	83,165	366,353	683,793	760,404	699,337	857,392	1,201,325	1,291,431
Total income tax before credits	37,510	128,186	239,394	266,282	243,823	299,555	419,209	453,082
Income tax	37,143	119,434	235,325	262,233	241,275	296,200	416,324	450,168
Total income tax after credits	30,220	96,403	184,153	204,044	177,517	224,435	312,086	353,084
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS								
Number of returns, total	5,154	44,113	61,621	60,609	58,945	57,935	61,820	63,951
Number with net income	2,575	17,360	29,504	26,519	27,269	29,233	30,870	30,318
Total assets	36,674	1,652,255	3,392,051	6,071,994	6,170,122	7,971,399	9,218,983	9,743,225
Total receipts	39,181	1,060,295	1,781,382	2,612,072	2,569,302	3,056,503	3,505,629	3,839,754
Business receipts	38,043	950,083	1,582,576	2,253,215	2,329,930	2,733,472	3,058,260	3,323,274
Interest received [1]	420	67,315	114,610	180,006	102,179	154,954	235,304	304,577
Total deductions	38,050	1,056,921	1,730,418	2,549,986	2,542,193	2,969,718	3,345,178	3,671,102
Cost of goods sold	28,804	709,052	1,119,276	1,584,513	1,652,622	1,964,224	2,239,966	2,425,660
Interest paid	733	77,562	112,219	186,835	109,453	129,530	199,877	286,668
Total receipts less total deductions	1,132	3,374	50,964	62,085	27,109	86,785	160,450	168,652
Net income (less deficit)	1,111	3,966	52,365	66,312	31,952	90,846	165,188	172,560
Net income	1,496	29,410	79,352	118,598	92,846	138,010	201,597	214,812
Deficit	-384	-25,444	-26,987	-52,287	-60,895	-47,165	-36,409	-42,252
Income subject to tax	1,344	23,704	61,798	97,515	73,521	104,740	153,007	171,251
Total income tax before credits	650	8,719	22,492	34,650	25,971	37,058	53,820	60,313
Income tax	631	8,008	21,589	33,950	25,607	36,451	53,137	59,693
Total income tax after credits	610	7,438	19,730	28,073	19,121	29,932	42,415	49,953
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS								
Number of returns, total	0.30	1.19	1.31	1.20	1.09	1.04	1.09	1.09
Number with net income	0.24	0.91	1.11	0.94	0.93	0.94	0.93	0.90
Total assets	1.27	9.08	10.27	12.91	11.50	13.26	13.87	13.33
Total receipts	2.06	9.29	10.72	12.68	12.42	13.46	13.74	14.01
Business receipts	2.16	9.64	10.94	12.78	12.76	13.68	14.03	14.26
Interest received [1]	0.64	7.14	10.05	11.42	9.02	11.58	13.74	13.58
Total deductions	2.09	9.58	11.02	12.95	12.75	13.73	14.17	14.40
Cost of goods sold	2.32	10.73	12.28	14.23	14.60	15.72	16.21	16.39
Interest paid	1.13	9.40	12.95	14.69	13.38	13.80	15.53	16.04
Total receipts less total deductions	1.38	0.90	5.63	6.79	3.62	8.07	8.48	8.87
Net income (less deficit)	1.39	1.07	5.72	7.15	4.10	8.17	8.48	8.93
Net income	1.55	5.32	7.10	8.87	7.90	9.48	9.02	9.59
Deficit	2.26	13.99	13.33	12.78	15.39	13.71	12.72	13.80
Income subject to tax	1.62	6.47	9.04	12.82	10.51	12.22	12.74	13.26
Total income tax before credits	1.73	6.80	9.40	13.01	10.65	12.37	12.84	13.31
Income tax	1.70	6.70	9.17	12.95	10.61	12.31	12.76	13.26
Total income tax after credits	2.02	7.72	10.71	13.76	10.77	13.34	13.59	14.15

[1] Excludes nontaxable 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.

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006

[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 [1]	63,951	30,318	22,591	9,743,225	2,035,800	3,839,754	3,323,274	3,671,102
Agriculture, forestry, fishing, and hunting	719	463	180	4,699	2,132	2,650	2,103	2,470
Agricultural production	618	422	140	3,802	1,963	2,201	1,889	2,075
Forestry and logging	*38	*37	*37	*436	*205	*216	*137	*180
Support activities and fishing, hunting, and trapping	*62	*3	d	*461	*-36	*233	*76	*215
Mining	751	378	177	126,846	64,574	66,430	60,994	55,704
Utilities	63	42	42	84,237	26,537	34,841	32,807	33,987
Construction	2,171	1,075	873	45,928	12,862	48,298	46,410	46,736
Construction of buildings	464	402	373	20,636	6,484	30,220	29,232	29,266
Heavy and civil engineering construction	1,094	121	94	20,609	5,202	12,071	11,262	11,684
Specialty trade contractors	613	551	407	4,682	1,176	6,007	5,915	5,786
Manufacturing	6,701	3,819	3,098	2,260,118	597,904	1,777,561	1,681,237	1,705,105
Food manufacturing	500	139	129	59,467	13,621	53,699	52,153	51,892
Beverage and tobacco product manufacturing	304	28	27	29,533	4,861	21,965	20,793	20,539
Textile mills and textile product mills	176	84	80	5,814	2,938	6,547	6,418	6,577
Apparel manufacturing	35	22	22	1,256	689	1,793	1,746	1,702
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	142	109	109	6,301	1,122	7,882	7,736	7,895
Paper manufacturing	125	74	67	20,208	7,621	22,954	22,221	22,619
Printing and related support activities	103	31	31	6,119	1,020	7,003	6,798	6,980
Petroleum and coal products manufacturing	103	22	21	762,728	116,283	606,362	585,311	575,707
Chemical manufacturing	455	296	282	301,882	112,678	225,072	207,850	207,629
Plastics and rubber products manufacturing	601	244	143	42,826	9,491	55,063	53,099	54,097
Nonmetallic mineral product manufacturing	173	141	135	104,293	37,980	61,462	58,812	57,037
Primary metal manufacturing	147	97	92	52,114	19,560	68,586	67,089	63,652
Fabricated metal product manufacturing	528	310	238	39,384	14,138	38,644	37,462	38,007
Machinery manufacturing	805	591	582	137,859	45,036	108,254	101,680	105,354
Computer and electronic product manufacturing	1,173	881	510	148,821	64,202	95,940	91,080	95,121
Electrical equipment, appliance, and component manufacturing	254	94	75	38,057	16,530	31,052	30,075	30,613
Transportation equipment manufacturing	547	367	284	457,991	113,908	324,818	292,541	320,455
Furniture and related product manufacturing	56	12	11	2,137	-117	3,965	3,946	3,973
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	20,308	10,079	7,385	567,453	170,288	1,005,722	976,514	977,629
Wholesale trade	17,438	8,732	6,503	461,074	136,464	803,165	777,785	780,092
Wholesale trade, durable goods	11,994	6,614	4,744	338,220	92,212	587,148	572,204	574,582
Wholesale trade, nondurable goods	5,116	2,113	1,754	122,314	44,233	215,928	205,517	205,413
Wholesale electronic markets and agents and brokers	*328	*5	*5	*541	*18	*89	*64	*98
Retail trade	2,871	1,346	882	106,379	33,825	202,557	198,729	197,537
Motor vehicle dealers and parts dealers	60	37	22	2,983	666	7,500	7,237	7,410
Furniture and home furnishings stores	132	13	13	4,720	601	5,081	4,988	4,970
Electronics and appliance stores	387	296	153	2,129	392	3,848	3,727	3,558
Building material and garden equipment and supplies dealers	48	32	32	634	285	1,186	1,160	1,153
Food, beverage and liquor stores	41	13	13	53,917	17,946	124,280	123,010	121,753
Health and personal care stores	73	35	34	8,741	3,194	15,447	15,237	15,183
Gasoline stations	*244	*240	*4	*3,248	*861	*10,655	*10,538	*10,501
Clothing and clothing accessories stores	395	195	177	14,586	7,451	15,018	14,068	14,133
Sporting goods, hobby, book, and music stores	633	69	69	886	398	1,322	1,295	1,304
General merchandise stores	*30	*0	*0	*57	*25	*182	*178	*203
Miscellaneous store retailers	147	53	42	6,655	-1,309	8,305	8,039	8,207
Nonstore retailers	681	363	321	7,823	3,316	9,733	9,250	9,161

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—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	2,263	1,424	1,263	59,335	19,045	55,632	53,644	55,794
Air, rail, and water transportation	155	115	52	17,829	3,750	12,096	11,516	11,737
Truck transportation	615	302	302	2,142	410	3,698	3,654	3,753
Transit and ground passenger transportation	*3	*0	*0	*2,373	*1,540	*1,968	*1,952	*2,006
Pipeline transportation	*13	*12	*12	*2,422	*1,285	*2,375	*2,305	*2,336
Other transportation and support activities	1,146	682	595	26,651	7,534	32,490	31,585	33,302
Warehousing and storage	332	313	303	7,919	4,525	3,005	2,632	2,660
Information	2,145	900	592	373,761	202,865	98,465	83,102	93,049
Publishing industries	769	402	187	76,603	13,839	37,741	32,748	37,042
Motion picture and sound recording industries	603	115	107	49,444	19,240	11,894	8,526	11,438
Broadcasting (except Internet)	54	39	7	3,561	2,024	912	813	1,073
Internet publishing and broadcasting	*15	d	d	*15,052	*3,416	*8,927	*8,423	*8,422
Telecommunications	462	170	132	210,577	158,153	31,594	26,048	27,839
Internet service providers, Web search portals, and data processing services	188	135	124	7,233	1,644	2,125	1,836	2,170
Other information services	53	d	d	11,290	4,548	5,274	4,708	5,065
Finance and insurance	2,950	1,685	1,203	4,677,234	693,609	446,808	203,554	418,506
Credit intermediation	376	246	225	299,192	22,106	22,254	9,124	21,227
Depository credit intermediation	51	48	47	104,236	7,531	5,655	601	5,050
Nondepository credit intermediation	325	198	178	194,956	14,575	16,599	8,523	16,177
Securities, commodity contracts, and other financial investments and related activities	1,499	653	518	2,781,476	129,794	198,327	40,410	187,047
Insurance carriers and related activities	317	258	244	1,251,330	268,416	213,863	154,017	205,505
Funds, trusts, and other financial vehicles	758	528	215	345,236	273,293	12,364	3	4,727
Real estate and rental and leasing	11,906	4,502	3,453	113,134	35,759	30,573	19,745	25,723
Real estate	11,719	4,381	3,334	79,984	30,739	14,791	6,401	11,035
Rental and leasing services	181	115	114	33,027	4,938	15,734	13,338	14,670
Lessors of nonfinancial intangible assets (except copyrighted works)	*6	*6	*5	*124	*82	*48	*6	*18
Professional, scientific, and technical services	6,274	3,025	2,012	119,047	44,492	72,989	67,440	71,573
Management of companies (holding companies)	3,233	1,262	941	1,160,438	116,470	110,029	16,323	93,727
Administrative and support and waste management and remediation services	1,874	702	662	44,258	12,097	37,861	35,829	42,184
Administrative and support services	1,862	697	656	37,396	9,568	33,770	31,921	33,675
Waste management and remediation services	*13	*6	*6	*6,862	*2,529	*4,092	*3,909	*8,510
Educational services	7	5	4	3,942	695	1,379	1,270	1,334
Health care and social assistance	341	277	277	19,045	8,954	12,080	11,027	10,958
Offices of health practitioners and outpatient care centers	*262	*262	*262	*14,619	*7,509	*7,799	*7,333	*7,015
Miscellaneous health care and social assistance	72	11	11	2,200	705	1,677	1,594	1,625
Hospitals, nursing, and residential care facilities	7	5	5	2,226	739	2,605	2,099	2,319
Arts, entertainment, and recreation	491	169	71	12,641	2,445	4,400	3,388	4,193
Amusement, gambling, and recreation industries	88	55	37	9,593	1,779	1,867	1,492	1,862
Other arts, entertainment, and recreation	403	114	34	3,047	666	2,533	1,896	2,331
Accommodation and food services	949	409	273	65,876	23,478	29,159	23,326	27,886
Accommodation	276	199	157	50,074	21,627	9,308	5,015	8,475
Food services and drinking places	673	209	117	15,802	1,851	19,851	18,311	19,412
Other services	806	103	86	5,232	1,594	4,876	4,563	4,543
Repair and maintenance	332	87	70	2,473	988	3,255	3,088	3,154
Personal and laundry services	474	16	16	2,759	606	1,621	1,475	1,389

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—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)
All industries [1]	2,425,660	168,652	172,560	214,812	-42,252	171,251	60,313	49,953
Agriculture, forestry, fishing, and hunting	1,342	180	189	324	-135	159	54	49
Agricultural production	1,183	126	125	245	-120	121	41	36
Forestry and logging	*109	*36	*36	*38	*-1	*35	*12	*12
Support activities and fishing, hunting, and trapping	*51	*18	*27	*41	*-14	*3	*1	d
Mining	30,002	10,726	10,910	12,871	-1,961	9,951	3,643	1,834
Utilities	21,449	854	889	1,086	-197	877	315	222
Construction	38,611	1,563	1,570	2,156	-586	1,911	667	656
Construction of buildings	26,174	954	962	1,064	-103	1,024	358	353
Heavy and civil engineering construction	8,466	387	388	765	-377	639	226	220
Specialty trade contractors	3,972	221	220	326	-106	248	84	84
Manufacturing	1,321,660	72,456	75,074	88,056	-12,982	78,076	27,442	21,504
Food manufacturing	32,122	1,808	1,825	2,234	-408	1,595	572	542
Beverage and tobacco product manufacturing	10,807	1,425	1,444	1,534	-90	1,271	444	410
Textile mills and textile product mills	5,033	-30	-32	222	-254	185	64	62
Apparel manufacturing	1,123	91	97	114	-18	91	33	32
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	6,320	-14	-13	146	-159	98	34	32
Paper manufacturing	17,681	335	378	863	-485	416	148	94
Printing and related support activities	5,160	23	23	89	-66	45	16	16
Petroleum and coal products manufacturing	529,960	30,655	31,825	31,884	-59	31,580	11,054	7,744
Chemical manufacturing	122,165	17,442	18,116	19,241	-1,124	17,562	6,174	5,011
Plastics and rubber products manufacturing	39,485	966	1,009	1,459	-450	762	279	219
Nonmetallic mineral product manufacturing	37,733	4,425	4,483	4,809	-326	4,585	1,604	1,517
Primary metal manufacturing	54,458	4,934	4,940	5,240	-300	4,858	1,707	1,145
Fabricated metal product manufacturing	28,223	637	687	1,922	-1,235	1,493	522	502
Machinery manufacturing	76,341	2,900	3,102	3,817	-715	2,412	853	659
Computer and electronic product manufacturing	68,535	818	996	3,084	-2,088	1,483	545	477
Electrical equipment, appliance, and component manufacturing	21,544	439	496	1,441	-945	1,052	373	273
Transportation equipment manufacturing	239,249	4,362	4,382	7,861	-3,479	6,867	2,414	2,259
Furniture and related product manufacturing	2,816	-8	-8	54	-62	44	15	14
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	788,435	28,093	28,330	34,260	-5,930	29,264	10,245	9,665
Wholesale trade	646,255	23,072	23,324	28,369	-5,044	24,425	8,545	8,009
Wholesale trade, durable goods	479,583	12,567	12,715	16,398	-3,683	13,687	4,781	4,472
Wholesale trade, nondurable goods	166,673	10,515	10,618	11,966	-1,348	10,735	3,763	3,536
Wholesale electronic markets and agents and brokers	*0	*-9	*-9	*4	*-13	*4	*1	*1
Retail trade	142,179	5,021	5,006	5,892	-886	4,839	1,700	1,656
Motor vehicle dealers and parts dealers	6,324	90	90	146	-57	114	39	38
Furniture and home furnishings stores	2,890	110	108	172	-64	168	58	58
Electronics and appliance stores	2,323	290	290	308	-18	116	41	38
Building material and garden equipment and supplies dealers	915	33	35	46	-11	45	15	14
Food, beverage and liquor stores	91,365	2,527	2,527	2,673	-147	2,509	882	868
Health and personal care stores	9,563	264	264	393	-129	386	135	128
Gasoline stations	*9,039	*153	*153	*157	*-5	*148	*52	*47
Clothing and clothing accessories stores	6,794	885	885	1,063	-178	565	204	199
Sporting goods, hobby, book, and music stores	936	18	18	53	-35	33	11	11
General merchandise stores	*136	*-22	*-22	*0	*-22	*0	*0	*0
Miscellaneous store retailers	5,290	99	98	233	-134	134	47	44
Nonstore retailers	6,604	572	559	647	-88	621	216	210

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—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	23,802	-162	-144	2,064	-2,208	1,553	548	507
Air, rail, and water transportation	4,880	358	371	622	-251	537	198	175
Truck transportation	1,822	-54	-54	41	-95	11	3	3
Transit and ground passenger transportation	*1,011	*-38	*-38	*0	*-38	*0	*0	*0
Pipeline transportation	*2,130	*40	*40	*66	*-27	*65	*22	*22
Other transportation and support activities	13,441	-813	-807	959	-1,766	765	264	246
Warehousing and storage	518	344	345	376	-31	175	61	60
Information	31,086	5,416	5,557	8,514	-2,957	4,604	1,620	1,522
Publishing industries	13,311	699	731	2,123	-1,392	710	251	203
Motion picture and sound recording industries	3,975	456	541	836	-295	82	28	26
Broadcasting (except Internet)	301	-162	-177	39	-215	23	8	6
Internet publishing and broadcasting	*2,469	*505	*505	d	d	d	d	d
Telecommunications	9,645	3,755	3,764	4,453	-690	2,898	1,041	1,028
Internet service providers, Web search portals, and data processing services	716	-45	-45	182	-228	132	45	44
Other information services	669	208	239	d	d	d	d	d
Finance and insurance	104,647	28,302	28,515	32,225	-3,711	15,980	5,675	4,976
Credit intermediation	162	1,027	839	1,417	-578	1,271	450	426
Depository credit intermediation	0	605	596	602	-6	562	197	195
Nondepository credit intermediation	162	422	243	816	-572	710	254	231
Securities, commodity contracts, and other financial investments and related activities	380	11,280	11,490	11,764	-274	7,477	2,657	2,422
Insurance carriers and related activities	104,106	8,358	8,546	11,084	-2,537	6,461	2,297	1,956
Funds, trusts, and other financial vehicles	0	7,637	7,639	7,960	-321	771	271	171
Real estate and rental and leasing	4,621	4,850	4,622	6,369	-1,748	5,062	1,774	1,757
Real estate	891	3,755	3,733	5,021	-1,288	4,028	1,403	1,390
Rental and leasing services	3,723	1,064	859	1,319	-459	1,012	363	359
Lessors of nonfinancial intangible assets (except copyrighted works)	*7	*30	*30	*30	*0	*22	*8	*8
Professional, scientific, and technical services	23,514	1,416	1,464	4,434	-2,970	3,192	1,110	969
Management of companies (holding companies)	1,076	16,302	16,557	17,577	-1,019	16,762	5,871	5,132
Administrative and support and waste management and remediation services	16,958	-4,323	-4,309	780	-5,088	554	191	168
Administrative and support services	16,304	95	109	771	-663	551	190	167
Waste management and remediation services	*654	*-4,418	*-4,417	*8	*-4,426	*3	*1	*1
Educational services	466	46	48	68	-19	44	15	6
Health care and social assistance	5,011	1,122	1,120	1,186	-66	949	333	328
Offices of health practitioners and outpatient care centers	*4,404	*784	*783	*783	*0	*604	*211	*210
Miscellaneous health care and social assistance	586	52	51	98	-47	50	18	18
Hospitals, nursing, and residential care facilities	21	286	286	305	-19	294	103	101
Arts, entertainment, and recreation	1,104	207	213	390	-177	226	80	75
Amusement, gambling, and recreation industries	457	5	7	127	-120	100	35	31
Other arts, entertainment, and recreation	647	203	206	263	-56	126	45	43
Accommodation and food services	9,950	1,272	1,594	2,011	-417	1,681	589	468
Accommodation	615	833	1,151	1,245	-94	990	348	253
Food services and drinking places	9,335	439	443	766	-323	692	241	215
Other services	1,926	333	360	441	-81	405	141	116
Repair and maintenance	1,685	101	107	147	-39	130	45	43
Personal and laundry services	242	232	253	294	-42	275	96	74

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

d—Not shown to avoid disclosure of information about specific corporations. However, data are included in the appropriate totals.

[1] Includes "Not allocable," which is not shown separately.

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

Foreign-Controlled Domestic Corporations, 2006

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Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2006

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

Age of corporation and selected country of foreign owner	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 foreign-controlled domestic corporations	63,951	30,318	22,591	9,743,225	2,035,800	3,839,754	3,323,274	3,671,102
AGE OF CORPORATION								
Old corporations:								
Number or amount	46,725	25,139	17,840	9,366,985	1,890,139	3,650,508	3,148,609	3,485,667
Percentage of all corporations	73.06	82.92	78.97	96.14	92.85	95.07	94.74	94.95
New corporations:								
Number or amount	17,226	5,180	4,751	376,240	145,661	189,245	174,665	185,435
Percentage of all corporations	26.94	17.09	21.03	3.86	7.15	4.93	5.26	5.05
SELECTED COUNTRY OF FOREIGN OWNER								
Selected countries, total	56,859	27,157	20,584	9,675,447	2,018,388	3,795,072	3,283,668	3,628,752
Percentage of all corporations	88.91	89.57	91.12	99.30	99.14	98.84	98.81	98.85
Selected countries:								
Australia	1,369	774	613	108,403	31,711	42,664	37,942	37,222
Austria	533	195	170	8,485	3,208	11,149	10,878	10,770
Bahamas	553	142	139	6,841	773	2,766	2,251	2,509
Belgium	339	210	169	84,626	13,611	42,401	36,021	40,431
Bermuda	286	136	110	234,118	73,167	68,391	59,981	65,901
Brazil	963	877	577	7,464	1,058	6,611	6,074	6,673
British Virgin Islands [1]	3,480	776	640	25,862	6,810	19,940	18,228	19,692
Canada	10,945	6,105	4,918	950,149	282,023	360,552	315,843	344,666
Cayman Islands	1,790	463	417	103,640	44,492	31,108	26,338	28,657
China	695	225	157	5,204	1,841	7,200	6,962	6,982
China (Taiwan)	1,566	319	229	14,424	4,317	23,896	23,288	23,620
Colombia	1,036	326	326	390	-67	550	512	589
Denmark	489	401	162	12,870	4,425	15,898	15,442	15,273
Finland	71	36	36	18,046	6,734	22,604	21,413	21,917
Former Soviet Union [2]	348	75	48	2,188	450	7,939	7,788	7,915
France	2,064	841	679	928,149	257,584	242,709	190,657	231,803
Germany	4,514	2,045	1,281	1,282,999	244,261	494,461	410,275	482,096
Hong Kong	1,404	605	442	8,334	2,084	12,014	11,559	11,771
India	1,312	568	391	6,333	1,290	9,721	9,584	9,504
Ireland	533	148	129	35,179	5,214	21,599	19,466	20,607
Israel	912	485	340	30,999	5,075	16,432	14,815	15,993
Italy	1,396	754	639	41,220	12,192	26,625	25,103	25,235
Japan	4,488	2,798	2,232	753,445	187,564	618,035	575,808	596,122
Liechtenstein	173	43	12	2,844	1,186	5,202	5,086	5,146
Luxembourg	338	203	126	65,789	27,065	35,016	31,660	33,180
Mexico	1,385	825	514	22,197	8,416	28,256	25,999	24,794
Netherlands	1,667	669	481	883,042	151,293	289,889	235,439	280,447
Netherlands Antilles	334	207	202	12,830	5,690	10,299	9,049	8,631
Norway	291	180	149	14,937	6,971	15,961	15,322	15,764
Panama	775	268	235	14,957	2,015	5,236	4,981	6,154
Puerto Rico	22	17	7	28,614	2,591	2,304	377	2,233
Saudi Arabia	158	37	19	4,985	2,694	10,792	9,732	10,068
Singapore	136	100	68	15,442	6,191	12,836	12,330	12,640
South Africa, Republic of	163	60	32	4,360	785	6,357	6,270	6,449
South Korea, Republic of	1,537	489	462	31,539	5,908	71,734	70,253	70,969
Spain	841	187	182	27,712	9,666	14,051	12,730	13,616
Sweden	527	184	126	50,788	8,589	53,476	50,374	51,797
Switzerland	1,584	980	529	1,294,851	88,102	188,179	143,163	174,964
United Kingdom	4,943	2,739	1,993	2,508,070	496,819	889,017	756,939	838,304
Venezuela	899	665	603	23,122	4,590	51,202	47,736	47,648

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2006—Continued

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

Age of corporation and selected country of foreign owner	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 foreign-controlled domestic corporations	2,425,660	168,652	172,560	214,812	-42,252	171,251	60,313	49,953
AGE OF CORPORATION								
Old corporations:								
Number or amount	2,308,808	164,841	168,187	203,994	-35,806	162,534	57,231	47,312
Percentage of all corporations	95.18	97.74	97.47	94.96	84.74	94.91	94.89	94.71
New corporations:								
Number or amount	116,852	3,810	4,372	10,818	-6,446	8,718	3,082	2,641
Percentage of all corporations	4.82	2.26	2.53	5.04	15.26	5.09	5.11	5.29
SELECTED COUNTRY OF FOREIGN OWNER								
Selected countries, total	2,395,332	166,322	170,224	211,136	-40,907	168,333	59,304	48,980
Percentage of all countries	98.75	98.62	98.65	98.29	96.82	98.30	98.33	98.05
Selected countries:								
Australia	21,991	5,441	5,304	6,491	-1,187	5,568	1,953	596
Austria	8,222	378	378	448	-70	409	145	141
Bahamas	1,100	257	257	359	-103	212	74	50
Belgium	26,083	1,970	2,069	2,245	-175	2,086	733	667
Bermuda	34,644	2,490	2,721	4,690	-1,969	2,968	1,052	741
Brazil	5,342	-61	-62	158	-220	154	52	51
British Virgin Islands [1]	14,086	248	248	1,007	-758	694	241	232
Canada	225,784	15,886	15,913	19,778	-3,864	12,166	4,455	4,180
Cayman Islands	14,500	2,451	2,682	3,902	-1,220	3,186	1,112	888
China	5,676	218	216	344	-128	327	114	65
China (Taiwan)	20,988	276	276	634	-358	361	127	122
Colombia	410	-39	-39	34	-73	32	8	8
Denmark	10,005	625	635	749	-114	542	191	169
Finland	16,467	688	702	861	-159	437	162	140
Former Soviet Union [2]	7,187	24	24	143	-119	139	48	40
France	130,898	10,906	11,150	17,655	-6,506	12,916	4,533	4,154
Germany	288,799	12,365	12,904	17,863	-4,959	11,302	3,997	3,165
Hong Kong	9,643	244	242	368	-126	281	98	89
India	5,686	217	210	376	-166	235	79	79
Ireland	13,312	992	992	1,177	-185	829	294	290
Israel	11,310	439	484	978	-494	805	279	207
Italy	15,108	1,390	1,444	2,010	-566	1,561	547	460
Japan	448,792	21,914	21,977	27,781	-5,804	24,257	8,507	7,879
Liechtenstein	3,913	56	54	100	-46	75	26	25
Luxembourg	19,308	1,836	1,872	2,334	-463	1,837	646	516
Mexico	18,114	3,462	3,456	4,022	-565	2,590	905	401
Netherlands	165,798	9,442	10,620	13,273	-2,653	9,627	3,420	1,626
Netherlands Antilles	3,328	1,669	1,695	1,750	-55	1,668	582	555
Norway	12,340	196	197	576	-378	409	145	137
Panama	4,796	-917	-909	189	-1,098	124	42	42
Puerto Rico	85	71	68	93	-25	88	31	31
Saudi Arabia	9,301	724	723	757	-34	740	263	263
Singapore	8,370	196	192	334	-141	232	82	71
South Africa, Republic of	4,848	-92	-92	120	-212	114	40	39
South Korea, Republic of	63,167	765	763	1,219	-456	749	262	256
Spain	9,222	435	454	1,032	-578	890	312	303
Sweden	38,637	1,678	1,679	1,893	-214	1,537	540	509
Switzerland	72,241	13,215	13,118	14,503	-1,385	11,174	3,935	3,675
United Kingdom	580,073	50,713	52,054	55,295	-3,240	51,452	18,029	14,875
Venezuela	45,758	3,554	3,553	3,595	-41	3,560	1,243	1,243

[1] Includes domestic corporations with owners from Saint Christopher, Nevis, and Anguilla.

[2] Includes domestic corporations with owners from Russia, Armenia, Uzbekistan, Ukraine, Turkmenistan, Tajikistan, Sakhalin Island, Moldova, Kyrgyzstan, Azerbaijan, Kazakhstan, Kurile Islands, Georgia, Belarus, and Estonia.

NOTES: "New" corporations were those with dates of incorporation between 2004 and 2007; "old" corporations were those with dates of incorporation prior to 2004, 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, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006

[Money amounts are in millions of dollars]

Control status and industrial sector	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	3,948	2,988	2,882	9,209,383	4,709,769	4,499,614	43,701
Agriculture, forestry, fishing, and hunting	10	9	9	1,751	613	1,138	0
Mining	85	55	54	119,037	34,312	84,724	12
Utilities	29	21	22	83,036	12,858	70,178	127
Construction	73	50	50	38,790	22,269	16,521	201
Manufacturing	1,479	1,073	1,024	2,219,876	1,078,816	1,141,060	16,057
Wholesale and retail trade	1,231	1,019	986	521,269	284,244	237,025	2,029
Wholesale trade	1,106	919	889	420,901	250,310	170,591	1,528
Retail trade	124	100	97	100,368	33,934	66,433	501
Transportation and warehousing	102	57	59	54,810	11,437	43,373	89
Information	120	82	76	364,721	52,649	312,071	4,473
Finance and insurance	308	252	252	4,356,989	2,383,010	1,973,979	18,533
Real estate and rental and leasing	70	50	49	69,320	20,205	49,114	23
Professional, scientific, and technical services	176	128	120	104,092	30,622	73,470	37
Management of companies (holding companies)	86	66	64	1,138,099	751,648	386,450	726
Administrative and support and waste management and remediation services	93	68	65	40,420	13,593	26,827	143
Educational services	6	4	3	3,881	1,319	2,562	0
Health care and social assistance	17	13	13	18,428	3,567	14,861	0
Arts, entertainment, and recreation	12	7	6	10,711	2,197	8,514	1,075
Accommodation and food services	39	29	25	60,654	5,402	55,252	168
Other services	11	5	5	3,499	1,005	2,494	9
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	15,293	11,972	11,618	44,987,115	17,512,732	27,474,383	389,493
Agriculture, forestry, fishing, and hunting	101	73	73	29,198	9,822	19,376	91
Mining	237	170	177	424,424	84,877	339,547	3,067
Utilities	185	128	129	1,334,706	264,170	1,070,536	9
Construction	815	705	715	190,476	126,082	64,394	118
Manufacturing	3,272	2,399	2,282	6,979,545	2,501,786	4,477,759	43,348
Wholesale and retail trade	3,948	3,208	3,086	1,944,032	708,949	1,235,083	3,413
Wholesale trade	2,263	1,908	1,841	993,090	345,075	648,015	2,766
Retail trade	1,686	1,300	1,246	950,942	363,874	587,068	648
Transportation and warehousing	497	339	337	457,660	106,451	351,209	2,094
Information	687	437	416	2,721,934	493,913	2,228,021	1,334
Finance and insurance	1,972	1,652	1,620	16,030,851	5,729,400	10,301,451	7,964
Real estate and rental and leasing	189	132	130	213,756	50,647	163,109	132
Professional, scientific, and technical services	815	630	604	341,925	151,570	190,355	707
Management of companies (holding companies)	1,324	1,255	1,260	13,711,165	7,150,222	6,560,943	325,303
Administrative and support and waste management and remediation services	306	219	204	129,196	40,715	88,481	55
Educational services	61	37	38	16,242	5,012	11,230	3
Health care and social assistance	482	312	280	155,517	39,033	116,484	69
Arts, entertainment, and recreation	69	47	42	44,566	7,357	37,209	1,679
Accommodation and food services	252	175	173	229,260	36,399	192,861	101
Other services	79	53	51	32,660	6,325	26,335	6

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	4,743,771	2,759,702	146,077	1,705,910	11,535	10,587	948
Agriculture, forestry, fishing, and hunting	273	576	0	902	-152	0	-152
Mining	19,752	36,764	2,094	62,521	3,299	[2]	3,298
Utilities	14,261	42,658	2,166	26,117	-7,451	0	-7,451
Construction	17,356	10,539	1,830	10,895	-1,781	2	-1,783
Manufacturing	961,940	669,785	74,703	588,151	-20,090	388	-20,479
Wholesale and retail trade	218,978	142,872	6,074	159,419	17,891	32	17,859
Wholesale trade	185,036	108,662	5,733	127,203	12,735	31	12,704
Retail trade	33,942	34,210	341	32,216	5,156	1	5,156
Transportation and warehousing	11,073	26,416	582	17,321	-4,193	6	-4,199
Information	64,635	96,114	27,785	203,971	-20,355	498	-20,853
Finance and insurance	2,512,566	1,416,970	19,958	427,453	39,528	9,649	29,879
Real estate and rental and leasing	17,359	32,144	1,215	19,817	965	0	965
Professional, scientific, and technical services	31,244	32,393	2,504	40,455	-17,642	5	-17,647
Management of companies (holding companies)	852,292	182,836	2,241	102,971	36,864	0	36,864
Administrative and support and waste management and remediation services	9,285	20,139	1,543	10,997	-16,103	[2]	-16,104
Educational services	1,357	1,851	26	673	-175	0	-175
Health care and social assistance	3,256	6,375	71	8,797	451	0	451
Arts, entertainment, and recreation	1,019	7,646	2,901	2,046	25	0	25
Accommodation and food services	6,179	32,003	256	22,473	-394	[2]	-395
Other services	946	1,620	128	933	849	5	844
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	22,446,275	12,289,353	209,559	10,251,487	4,183,249	139,799	4,043,450
Agriculture, forestry, fishing, and hunting	5,359	16,947	778	6,893	1,915	4	1,911
Mining	72,024	156,564	183	195,836	94,970	136	94,835
Utilities	285,446	714,660	2,401	334,600	42,739	755	41,984
Construction	60,652	56,596	614	73,228	54,999	241	54,758
Manufacturing	2,193,674	2,182,917	40,706	2,602,953	1,260,073	5,385	1,254,688
Wholesale and retail trade	584,133	488,101	4,998	871,798	533,843	3,201	530,642
Wholesale trade	274,240	215,029	3,714	503,820	314,636	3,090	311,546
Retail trade	309,893	273,071	1,284	367,978	219,207	112	219,096
Transportation and warehousing	106,202	233,571	2,683	117,888	41,221	88	41,133
Information	558,699	1,011,889	22,492	1,151,345	-104,844	144	-104,989
Finance and insurance	8,550,285	5,176,240	7,114	2,304,326	1,300,691	123,195	1,177,496
Real estate and rental and leasing	46,529	101,223	2,196	66,004	15,215	73	15,142
Professional, scientific, and technical services	124,905	89,246	1,591	127,774	-27,685	75	-27,760
Management of companies (holding companies)	9,733,701	1,749,083	120,606	2,228,381	907,549	5,560	901,990
Administrative and support and waste management and remediation services	34,294	52,808	153	42,095	11,773	104	11,668
Educational services	4,824	4,726	22	6,692	2,294	0	2,294
Health care and social assistance	30,558	91,786	162	33,173	-1,228	14	-1,243
Arts, entertainment, and recreation	9,440	29,083	1,830	6,043	-3,125	11	-3,136
Accommodation and food services	40,817	115,143	797	73,300	50,878	752	50,126
Other services	4,733	18,768	233	9,158	1,972	61	1,912

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	Receipts						Dividends received from:	
	Total	Business receipts	Interest [1]	Rents	Royalties	Domestic corporations	Foreign corporations	
	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS								
All industries	3,642,030	3,155,255	297,796	17,060	13,410	5,743	5,627	
Agriculture, forestry, fishing, and hunting	1,217	1,151	12	1	1	0	36	
Mining	64,026	58,930	1,033	110	171	1,184	148	
Utilities	34,410	32,490	911	93	0	60	24	
Construction	44,395	42,951	387	61	16	10	1	
Manufacturing	1,734,109	1,639,255	25,824	11,321	5,388	915	3,228	
Wholesale and retail trade	929,044	901,704	6,283	1,304	2,455	951	450	
Wholesale trade	733,482	709,670	5,592	891	1,911	913	326	
Retail trade	195,563	192,034	691	413	544	38	124	
Transportation and warehousing	46,938	45,398	432	171	13	36	5	
Information	89,874	75,085	2,916	134	3,770	436	347	
Finance and insurance	431,049	200,142	181,002	1,498	12	1,548	769	
Real estate and rental and leasing	21,289	16,042	990	430	6	109	2	
Professional, scientific, and technical services	58,969	55,212	991	82	768	166	105	
Management of companies (holding companies)	107,226	16,268	75,741	1,718	31	168	379	
Administrative and support and waste management and remediation services	34,140	32,450	363	7	15	30	70	
Educational services	1,356	1,249	47	2	45	5	5	
Health care and social assistance	11,515	10,670	40	3	19	0	7	
Arts, entertainment, and recreation	3,066	2,257	136	48	53	71	2	
Accommodation and food services	26,096	20,849	657	76	596	54	11	
Other services	3,310	3,152	31	1	51	0	38	
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED								
All industries	14,479,104	11,781,946	1,582,345	71,623	141,150	24,699	65,848	
Agriculture, forestry, fishing, and hunting	19,256	18,079	189	85	54	7	1	
Mining	227,005	200,560	3,644	346	926	325	2,094	
Utilities	576,409	538,783	9,333	2,614	76	180	1,191	
Construction	262,771	253,059	1,838	708	227	46	12	
Manufacturing	4,715,964	4,201,543	153,357	19,540	92,170	3,320	42,416	
Wholesale and retail trade	3,051,096	2,951,530	19,071	5,465	9,716	1,324	5,399	
Wholesale trade	1,332,901	1,290,361	10,740	2,848	3,860	1,092	3,313	
Retail trade	1,718,195	1,661,169	8,331	2,617	5,856	232	2,086	
Transportation and warehousing	425,002	389,743	4,419	1,380	2,196	135	337	
Information	890,754	727,876	43,588	12,351	21,117	996	4,053	
Finance and insurance	2,459,247	1,500,969	720,679	6,422	920	13,469	5,074	
Real estate and rental and leasing	98,771	82,573	2,803	688	2,320	10	573	
Professional, scientific, and technical services	263,367	245,633	5,579	244	4,235	159	1,040	
Management of companies (holding companies)	929,874	158,747	610,886	19,976	273	4,570	2,409	
Administrative and support and waste management and remediation services	146,385	139,320	1,302	196	688	37	374	
Educational services	14,615	14,112	79	21	111	1	0	
Health care and social assistance	167,211	157,942	1,356	491	62	26	316	
Arts, entertainment, and recreation	26,328	23,116	548	163	111	8	59	
Accommodation and food services	182,642	157,099	3,240	896	5,800	75	464	
Other services	22,408	21,259	434	39	147	11	36	

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	3,484,182	2,318,217	11,923	211,675	281,204	42,875	82,669
Agriculture, forestry, fishing, and hunting	1,143	833	10	44	36	17	52
Mining	52,780	29,133	174	2,889	1,921	1,077	2,486
Utilities	33,632	21,340	46	974	2,147	767	1,695
Construction	43,008	36,309	245	1,503	762	352	337
Manufacturing	1,661,752	1,291,395	3,956	70,090	47,686	18,088	43,214
Wholesale and retail trade	901,282	731,045	1,906	44,970	9,871	7,898	14,565
Wholesale trade	710,893	592,827	1,672	25,944	7,574	5,067	11,466
Retail trade	190,388	138,218	234	19,025	2,296	2,830	3,099
Transportation and warehousing	47,388	19,486	230	6,814	1,274	1,197	1,590
Information	84,013	27,731	685	12,327	7,636	1,695	4,683
Finance and insurance	410,428	103,972	2,927	30,692	154,106	4,244	5,825
Real estate and rental and leasing	18,656	3,940	163	2,669	2,229	659	4,058
Professional, scientific, and technical services	57,119	19,497	843	13,584	1,866	2,594	859
Management of companies (holding companies)	91,897	1,060	351	9,783	48,252	1,207	1,992
Administrative and support and waste management and remediation services	38,408	15,843	222	7,221	976	1,411	508
Educational services	1,314	466	34	276	139	36	17
Health care and social assistance	10,389	4,891	19	1,485	522	419	199
Arts, entertainment, and recreation	2,929	953	27	452	283	98	164
Accommodation and food services	25,020	9,204	65	5,277	1,388	1,043	393
Other services	3,025	1,119	20	624	109	73	32
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	13,475,580	7,409,377	78,023	1,306,291	1,296,646	261,415	341,939
Agriculture, forestry, fishing, and hunting	18,704	14,635	138	815	560	278	402
Mining	193,267	105,859	2,156	9,814	7,779	8,116	9,420
Utilities	541,975	314,997	1,684	21,894	31,927	20,954	33,152
Construction	246,766	192,990	2,245	10,536	3,391	3,753	2,114
Manufacturing	4,413,569	3,066,978	18,150	271,603	195,011	72,378	108,199
Wholesale and retail trade	2,922,487	2,275,610	10,501	239,475	33,594	39,157	34,133
Wholesale trade	1,284,906	1,083,756	6,299	65,191	15,433	12,178	10,568
Retail trade	1,637,580	1,191,854	4,202	174,284	18,160	26,979	23,565
Transportation and warehousing	406,945	114,706	1,909	79,016	11,385	13,446	21,521
Information	797,761	150,381	5,977	127,538	68,839	21,664	52,038
Finance and insurance	2,259,269	927,417	15,212	213,623	492,911	33,361	21,020
Real estate and rental and leasing	93,963	17,361	806	17,627	7,136	2,762	15,631
Professional, scientific, and technical services	252,637	81,955	5,765	67,027	7,598	7,250	4,252
Management of companies (holding companies)	796,127	1,900	8,007	105,881	416,102	13,740	24,084
Administrative and support and waste management and remediation services	139,763	60,595	1,353	29,172	3,835	7,092	3,300
Educational services	13,447	1,519	255	4,727	397	421	337
Health care and social assistance	161,240	17,893	1,402	58,397	5,640	6,201	3,768
Arts, entertainment, and recreation	25,147	4,601	387	5,175	1,661	2,011	1,352
Accommodation and food services	171,042	50,185	1,873	40,331	7,867	8,025	6,617
Other services	21,472	9,794	203	3,639	1,015	804	600

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	157,849	5,560	161,718	191,822	-30,105	37,891	33,138
Agriculture, forestry, fishing, and hunting	75	0	75	101	-26	45	9
Mining	11,246	187	11,431	12,571	-1,141	2,821	1,867
Utilities	777	40	812	990	-178	196	147
Construction	1,387	12	1,398	1,757	-360	192	182
Manufacturing	72,357	2,833	74,945	85,505	-10,560	9,489	8,550
Wholesale and retail trade	27,763	331	28,004	31,435	-3,431	4,355	3,400
Wholesale trade	22,589	330	22,846	25,954	-3,108	3,442	2,627
Retail trade	5,174	1	5,158	5,480	-322	913	772
Transportation and warehousing	-450	14	-437	1,491	-1,928	456	426
Information	5,861	248	5,997	8,037	-2,041	3,686	3,332
Finance and insurance	20,621	643	20,830	23,795	-2,964	14,137	13,242
Real estate and rental and leasing	2,633	0	2,421	3,026	-605	510	428
Professional, scientific, and technical services	1,850	95	1,903	3,219	-1,316	892	731
Management of companies (holding companies)	15,328	776	15,580	15,889	-309	316	190
Administrative and support and waste management and remediation services	-4,267	29	-4,257	591	-4,848	198	170
Educational services	41	3	44	64	-19	24	19
Health care and social assistance	1,127	0	1,125	1,147	-22	222	215
Arts, entertainment, and recreation	137	4	141	245	-104	114	43
Accommodation and food services	1,077	324	1,399	1,625	-226	221	168
Other services	286	20	306	334	-27	19	19
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	1,003,524	91,149	1,068,755	1,158,410	-89,655	127,518	100,022
Agriculture, forestry, fishing, and hunting	552	87	633	995	-362	93	87
Mining	33,739	1,175	34,855	36,643	-1,788	5,399	5,071
Utilities	34,434	1,002	35,062	41,164	-6,101	9,169	9,008
Construction	16,004	36	15,990	16,910	-920	386	349
Manufacturing	302,395	62,788	357,271	390,477	-33,206	34,874	23,797
Wholesale and retail trade	128,610	5,446	133,256	138,047	-4,791	6,730	5,525
Wholesale trade	47,995	3,218	50,949	53,137	-2,188	2,722	1,895
Retail trade	80,615	2,228	82,307	84,910	-2,603	4,007	3,630
Transportation and warehousing	18,057	577	18,539	23,723	-5,184	2,731	2,513
Information	92,993	3,605	95,997	109,129	-13,132	35,732	34,902
Finance and insurance	199,978	11,374	202,552	212,272	-9,720	16,630	7,938
Real estate and rental and leasing	4,808	131	4,893	7,144	-2,251	2,151	2,090
Professional, scientific, and technical services	10,730	1,008	11,516	16,010	-4,494	4,324	3,772
Management of companies (holding companies)	133,747	2,998	130,176	130,961	-785	5,931	1,737
Administrative and support and waste management and remediation services	6,622	241	6,711	7,812	-1,101	1,238	1,208
Educational services	1,168	7	1,131	1,379	-249	31	30
Health care and social assistance	5,971	99	5,951	9,603	-3,652	811	792
Arts, entertainment, and recreation	1,182	23	1,187	1,784	-598	482	476
Accommodation and food services	11,599	535	12,089	13,175	-1,086	606	535
Other services	936	14	946	1,181	-235	201	193

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	159,482	56,297	55,733	557	10,203	7,922	46,095
Agriculture, forestry, fishing, and hunting	56	19	19	0	4	1	15
Mining	9,751	3,573	3,412	160	1,799	1,633	1,773
Utilities	810	292	283	7	88	0	203
Construction	1,631	573	570	3	10	10	562
Manufacturing	76,152	26,781	26,640	139	5,905	4,975	20,876
Wholesale and retail trade	27,111	9,533	9,470	63	570	240	8,963
Wholesale trade	22,544	7,924	7,873	51	529	223	7,395
Retail trade	4,567	1,609	1,597	12	41	18	1,568
Transportation and warehousing	1,036	376	362	13	34	30	342
Information	4,351	1,534	1,484	50	83	37	1,451
Finance and insurance	14,883	5,295	5,205	89	688	481	4,607
Real estate and rental and leasing	2,515	896	880	16	6	1	890
Professional, scientific, and technical services	2,340	823	814	9	114	39	710
Management of companies (holding companies)	15,616	5,470	5,465	2	722	359	4,748
Administrative and support and waste management and remediation services	413	146	143	3	21	6	124
Educational services	40	14	14	0	9	9	4
Health care and social assistance	925	324	323	1	4	1	320
Arts, entertainment, and recreation	132	47	46	1	5	5	42
Accommodation and food services	1,405	494	491	2	117	70	377
Other services	315	110	110	0	23	22	87
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	1,037,923	367,253	364,405	2,795	88,438	69,528	278,815
Agriculture, forestry, fishing, and hunting	903	316	314	2	8	6	308
Mining	31,439	11,120	11,001	119	2,896	2,391	8,223
Utilities	32,419	11,649	11,344	300	1,996	172	9,653
Construction	16,522	5,781	5,763	10	118	31	5,663
Manufacturing	356,495	125,064	124,740	311	50,979	44,764	74,085
Wholesale and retail trade	132,366	45,991	45,852	167	4,592	3,896	41,399
Wholesale trade	51,451	17,650	17,553	120	2,643	2,370	15,006
Retail trade	80,915	28,341	28,300	47	1,948	1,527	26,393
Transportation and warehousing	21,100	7,406	7,378	28	703	434	6,704
Information	77,119	28,131	27,671	459	4,105	3,299	24,026
Finance and insurance	196,182	70,865	69,738	1,104	11,849	7,692	59,015
Real estate and rental and leasing	4,991	1,896	1,745	141	89	72	1,807
Professional, scientific, and technical services	11,703	4,142	4,083	59	749	509	3,393
Management of companies (holding companies)	124,677	43,612	43,578	23	8,513	5,224	35,099
Administrative and support and waste management and remediation services	7,009	2,469	2,458	11	479	216	1,990
Educational services	1,349	471	471	0	1	0	470
Health care and social assistance	8,798	3,084	3,074	10	145	93	2,939
Arts, entertainment, and recreation	1,303	462	455	6	27	9	435
Accommodation and food services	12,568	4,449	4,400	43	1,162	707	3,287
Other services	980	345	341	3	25	14	320

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages					
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	Total liabilities divided by net worth
	Divided by total number of returns		Divided by total assets			
	(43)	(44)	(45)	(46)	(47)	(48)
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS						
All industries	75.68	73.00	51.51	29.97	18.52	439.85
Agriculture, forestry, fishing, and hunting	90.00	90.00	15.59	32.90	51.51	94.12
Mining	64.71	63.53	16.59	30.88	52.52	90.40
Utilities	72.41	75.86	17.17	51.37	31.45	217.94
Construction	68.49	68.49	44.74	27.17	28.09	256.03
Manufacturing	72.55	69.24	43.33	30.17	26.49	277.43
Wholesale and retail trade	82.78	80.10	42.01	27.41	30.58	226.98
Wholesale trade	83.09	80.38	43.96	25.82	30.22	230.89
Retail trade	80.65	78.23	33.82	34.08	32.10	211.55
Transportation and warehousing	55.88	57.84	20.20	48.20	31.60	216.44
Information	68.33	63.33	17.72	26.35	55.93	78.81
Finance and insurance	81.82	81.82	57.67	32.52	9.81	919.29
Real estate and rental and leasing	71.43	70.00	25.04	46.37	28.59	249.80
Professional, scientific, and technical services	72.73	68.18	30.02	31.12	38.86	157.30
Management of companies (holding companies)	76.74	74.42	74.89	16.07	9.05	1,005.26
Administrative and support and waste management and remediation services	73.12	69.89	22.97	49.82	27.21	267.56
Educational services	66.67	50.00	34.97	47.69	17.34	476.67
Health care and social assistance	76.47	76.47	17.67	34.59	47.74	109.48
Arts, entertainment, and recreation	58.33	50.00	9.51	71.38	19.10	423.51
Accommodation and food services	74.36	64.10	10.19	52.76	37.05	169.90
Other services	45.45	45.45	27.04	46.30	26.66	275.03
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED						
All industries	78.28	75.97	49.89	27.32	22.79	338.84
Agriculture, forestry, fishing, and hunting	72.28	72.28	18.35	58.04	23.61	323.60
Mining	71.73	74.68	16.97	36.89	46.14	116.72
Utilities	69.19	69.73	21.39	53.54	25.07	298.90
Construction	86.50	87.73	31.84	29.71	38.44	160.11
Manufacturing	73.32	69.74	31.43	31.28	37.29	168.14
Wholesale and retail trade	81.26	78.17	30.05	25.11	44.84	122.99
Wholesale trade	84.31	81.35	27.61	21.65	50.73	97.11
Retail trade	77.11	73.90	32.59	28.72	38.70	158.42
Transportation and warehousing	68.21	67.81	23.21	51.04	25.76	288.22
Information	63.61	60.55	20.53	37.18	42.30	136.41
Finance and insurance	83.77	82.15	53.34	32.29	14.37	595.69
Real estate and rental and leasing	69.84	68.78	21.77	47.35	30.88	223.85
Professional, scientific, and technical services	77.30	74.11	36.53	26.10	37.37	167.60
Management of companies (holding companies)	94.79	95.17	70.99	12.76	16.25	515.30
Administrative and support and waste management and remediation services	71.57	66.67	26.54	40.87	32.58	206.92
Educational services	60.66	62.30	29.70	29.10	41.20	142.71
Health care and social assistance	64.73	58.09	19.65	59.02	21.33	368.81
Arts, entertainment, and recreation	68.12	60.87	21.18	65.26	13.56	637.48
Accommodation and food services	69.44	68.65	17.80	50.22	31.97	212.77
Other services	67.09	64.56	14.49	57.46	28.04	256.62

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	39.55	73.47	7.72	1.71	9.25	4.33
Agriculture, forestry, fishing, and hunting	69.50	72.37	2.96	4.28	8.31	6.16
Mining	53.79	49.44	3.00	9.45	17.99	17.56
Utilities	41.44	65.68	6.24	0.94	2.98	2.26
Construction	114.45	84.54	1.72	3.58	12.73	3.12
Manufacturing	78.12	78.78	2.75	3.26	12.30	4.17
Wholesale and retail trade	178.23	81.07	1.06	5.33	17.42	2.99
Wholesale trade	174.26	83.54	1.03	5.37	17.76	3.08
Retail trade	194.85	71.98	1.17	5.16	16.06	2.65
Transportation and warehousing	85.64	42.92	2.71	-0.82	-2.60	-0.96
Information	24.64	36.93	8.50	1.61	2.87	6.52
Finance and insurance	9.89	51.95	35.75	0.47	4.82	4.78
Real estate and rental and leasing	30.71	24.56	10.47	3.80	13.29	12.37
Professional, scientific, and technical services	56.65	35.31	3.16	1.78	4.57	3.14
Management of companies (holding companies)	9.42	6.52	45.00	1.35	14.89	14.30
Administrative and support and waste management and remediation services	84.46	48.82	2.86	-10.56	-38.80	-12.50
Educational services	34.94	37.31	10.25	1.06	6.09	3.02
Health care and social assistance	62.49	45.84	4.53	6.12	12.81	9.79
Arts, entertainment, and recreation	28.62	42.22	9.23	1.28	6.70	4.47
Accommodation and food services	43.02	44.15	5.32	1.78	4.79	4.13
Other services	94.60	35.50	3.29	8.17	30.65	8.64
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED						
All industries	32.19	62.89	8.96	2.23	9.79	6.93
Agriculture, forestry, fishing, and hunting	65.95	80.95	2.91	1.89	8.01	2.87
Mining	53.49	52.78	3.43	7.95	17.23	14.86
Utilities	43.19	58.46	5.54	2.58	10.29	5.97
Construction	137.95	76.26	1.29	8.40	21.86	6.09
Manufacturing	67.57	73.00	4.14	4.33	11.62	6.41
Wholesale and retail trade	156.95	77.10	1.10	6.62	14.75	4.22
Wholesale trade	134.22	83.99	1.16	4.83	9.53	3.60
Retail trade	180.68	71.75	1.06	8.48	21.91	4.69
Transportation and warehousing	92.86	29.43	2.68	3.95	15.32	4.25
Information	32.73	20.66	7.73	3.42	8.08	10.44
Finance and insurance	15.34	61.79	20.04	1.25	8.68	8.13
Real estate and rental and leasing	46.21	21.03	7.22	2.25	7.28	4.87
Professional, scientific, and technical services	77.02	33.36	2.88	3.14	8.40	4.07
Management of companies (holding companies)	6.78	1.20	44.75	0.98	6.00	14.38
Administrative and support and waste management and remediation services	113.30	43.49	2.62	5.13	15.73	4.52
Educational services	89.98	10.76	2.72	7.19	17.45	7.99
Health care and social assistance	107.52	11.33	3.37	3.84	18.00	3.57
Arts, entertainment, and recreation	59.08	19.90	6.31	2.65	19.56	4.49
Accommodation and food services	79.67	31.94	4.31	5.06	15.82	6.35
Other services	68.61	46.07	4.53	2.87	10.22	4.18

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	1.76	9.48	4.44	17.28
Agriculture, forestry, fishing, and hunting	4.28	8.31	6.16	8.91
Mining	9.60	18.28	17.85	14.85
Utilities	0.98	3.11	2.36	14.85
Construction	3.60	12.83	3.15	10.36
Manufacturing	3.38	12.74	4.32	10.00
Wholesale and retail trade	5.37	17.57	3.01	10.82
Wholesale trade	5.43	17.96	3.11	10.12
Retail trade	5.14	16.01	2.64	14.09
Transportation and warehousing	-0.80	-2.52	-0.93	28.57
Information	1.64	2.94	6.67	41.46
Finance and insurance	0.48	4.87	4.83	55.65
Real estate and rental and leasing	3.49	12.22	11.37	14.14
Professional, scientific, and technical services	1.83	4.70	3.23	22.71
Management of companies (holding companies)	1.37	15.13	14.53	1.20
Administrative and support and waste management and remediation services	-10.53	-38.71	-12.47	28.76
Educational services	1.13	6.54	3.24	29.69
Health care and social assistance	6.10	12.79	9.77	18.74
Arts, entertainment, and recreation	1.32	6.89	4.60	17.55
Accommodation and food services	2.31	6.23	5.36	10.34
Other services	8.75	32.80	9.24	5.69
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED				
All industries	2.38	10.43	7.38	8.63
Agriculture, forestry, fishing, and hunting	2.17	9.18	3.29	8.74
Mining	8.21	17.80	15.35	13.84
Utilities	2.63	10.48	6.08	21.88
Construction	8.39	21.84	6.09	2.06
Manufacturing	5.12	13.73	7.58	6.09
Wholesale and retail trade	6.85	15.29	4.37	4.00
Wholesale trade	5.13	10.11	3.82	3.57
Retail trade	8.66	22.37	4.79	4.28
Transportation and warehousing	4.05	15.73	4.36	10.59
Information	3.53	8.34	10.78	31.98
Finance and insurance	1.26	8.79	8.24	3.74
Real estate and rental and leasing	2.29	7.41	4.95	29.26
Professional, scientific, and technical services	3.37	9.01	4.37	23.56
Management of companies (holding companies)	0.95	5.84	14.00	1.33
Administrative and support and waste management and remediation services	5.19	15.94	4.58	15.46
Educational services	6.96	16.90	7.74	2.18
Health care and social assistance	3.83	17.94	3.56	8.25
Arts, entertainment, and recreation	2.66	19.64	4.51	26.68
Accommodation and food services	5.27	16.49	6.62	4.06
Other services	2.90	10.33	4.22	16.34

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2006

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Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	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	1.73	9.35	4.38	0.50	2.70	1.27
Agriculture, forestry, fishing, and hunting	3.20	6.21	4.60	0.86	1.66	1.23
Mining	8.19	15.60	15.23	1.49	2.84	2.77
Utilities	0.98	3.10	2.35	0.24	0.78	0.59
Construction	4.20	14.97	3.67	1.45	5.16	1.27
Manufacturing	3.43	12.95	4.39	0.94	3.55	1.20
Wholesale and retail trade	5.20	17.01	2.92	1.72	5.62	0.96
Wholesale trade	5.36	17.72	3.07	1.76	5.81	1.01
Retail trade	4.55	14.18	2.34	1.56	4.87	0.80
Transportation and warehousing	1.89	5.98	2.21	0.62	1.97	0.73
Information	1.19	2.13	4.84	0.40	0.71	1.61
Finance and insurance	0.34	3.48	3.45	0.11	1.08	1.07
Real estate and rental and leasing	3.63	12.69	11.81	1.28	4.49	4.18
Professional, scientific, and technical services	2.25	5.78	3.97	0.68	1.76	1.20
Management of companies (holding companies)	1.37	15.17	14.56	0.42	4.61	4.43
Administrative and support and waste management and remediation services	1.02	3.76	1.21	0.31	1.13	0.36
Educational services	1.03	5.94	2.95	0.10	0.59	0.29
Health care and social assistance	5.02	10.51	8.03	1.74	3.64	2.78
Arts, entertainment, and recreation	1.23	6.45	4.31	0.39	2.05	1.37
Accommodation and food services	2.32	6.25	5.38	0.62	1.68	1.44
Other services	9.00	33.76	9.52	2.49	9.32	2.63
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED						
All industries	2.31	10.12	7.17	0.62	2.72	1.93
Agriculture, forestry, fishing, and hunting	3.09	13.10	4.69	1.05	4.47	1.60
Mining	7.41	16.05	13.85	1.94	4.20	3.62
Utilities	2.43	9.69	5.62	0.72	2.88	1.67
Construction	8.67	22.56	6.29	2.97	7.73	2.16
Manufacturing	5.11	13.70	7.56	1.06	2.85	1.57
Wholesale and retail trade	6.81	15.18	4.34	2.13	4.75	1.36
Wholesale trade	5.18	10.21	3.86	1.51	2.98	1.13
Retail trade	8.51	21.99	4.71	2.78	7.17	1.54
Transportation and warehousing	4.61	17.90	4.96	1.46	5.69	1.58
Information	2.83	6.70	8.66	0.88	2.09	2.70
Finance and insurance	1.22	8.51	7.98	0.37	2.56	2.40
Real estate and rental and leasing	2.33	7.56	5.05	0.85	2.74	1.83
Professional, scientific, and technical services	3.42	9.16	4.44	0.99	2.66	1.29
Management of companies (holding companies)	0.91	5.59	13.41	0.26	1.58	3.77
Administrative and support and waste management and remediation services	5.43	16.65	4.79	1.54	4.73	1.36
Educational services	8.31	20.16	9.23	2.89	7.02	3.22
Health care and social assistance	5.66	26.52	5.26	1.89	8.86	1.76
Arts, entertainment, and recreation	2.92	21.56	4.95	0.98	7.20	1.65
Accommodation and food services	5.48	17.15	6.88	1.43	4.48	1.80
Other services	3.00	10.70	4.37	0.98	3.49	1.43

[1] Excludes nontaxable interest received on State and local government obligations, which totaled \$25.9 billion for large domestic corporations not foreign-controlled, and \$1.7 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). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Percentages shown in table were calculated using rounded data. Detail may not add to totals because of rounding.