

Allocations: A Behind the Scenes Look at Data Movements Within SOI Corporate Editing

by Marty Harris

This article describes a longstanding process, known as allocation, which is utilized during online statistical editing for the SOI Corporation Program. Allocation, the identification and movement of taxpayer-reported data items to other, more specific items or categories, is key to enriching SOI corporation data that are used by tax policy and other researchers. Without the allocation process, corporate data would be subject to significant overstatement or understatement. For Tax Year 2005, the total amount allocated was more than \$10.5 trillion. Due to the magnitude of this amount, it is instructive to look at some of the characteristics of returns for which allocation is utilized, as well as the proportion of published SOI corporate data accounted for by allocation.

Overview of the Allocation Process

Allocation is one of many statistical processes that SOI applies to U.S. corporate income tax returns selected for the SOI sample, which includes Forms 1120, 1120A, 1120S, 1120F, 1120L, 1120PC, 1120 RIC, and 1120 REIT. During online statistical editing of sampled returns, SOI tax examiners identify select data items reported by taxpayers and determine whether they should allocate, or move, those items (and corresponding dollar amounts) to other, more specific items or categories. In some cases, allocation may be required because taxpayers report specific items in broad, lump-sum categories. For example, when a specific item such as “Director’s fees” is reported on an attachment for the broad category “Other deductions,” the allocation process would move the amount of director’s fees to the preferred “Salaries and wages” line of the SOI record, subtracting the same amount from other deductions. In other cases, the SOI Corporate Program has established editing rules that simply require select items to be allocated to specific items or categories, even though the taxpayer may have correctly reported the information. For example, the taxpayer instructions for Form 1120 specify that “Amortization” and “Intangible drilling costs” should be reported on the

“Other costs” or “Other deductions” lines, but, during SOI editing, these items are allocated to specific data fields. To assist SOI tax examiners in interpreting taxpayer-used language on returns and allocating amounts to standard line items on the corporate tax return, the SOI Corporate Program maintains online allocation dictionaries. Allocation is completed at the consolidated return level for corporations with more than twenty subsidiaries; otherwise, it is completed at the subsidiary level.

Allocation procedures continue an SOI tradition of providing the best possible data to our customers at the Office of Tax Analysis of the Department of Treasury, the Joint Committee on Taxation of the U.S. Congress, and the Bureau of Economic Analysis of the Department of Commerce, as well as to other researchers who utilize SOI corporate data. To the extent possible, the allocation process ensures that amounts reported for “other” line items are not overstated and that the standard return line items are not understated. It also ensures consistency from year to year in SOI corporate income tax data. Importantly, the allocation process enables SOI to provide its customers additional granularity or detail that is otherwise not available.

Sections of the tax return that are reviewed for allocation purposes include income and deductions; Schedule A, for cost of goods sold; and the balance sheet. Two lines from income/deduction statements (“Other income” and “Other deductions”); two lines on Schedule A (“Other costs” and “Additional inventory costs—Section 263A”); and five lines on the balance sheet (“Other current assets,” “Other investments,” “Other assets,” “Other current liabilities,” and “Other liabilities”) typically require allocation to other, specific items. Allocation is completed through allocation screens in the online editing system (Figure A).

While previous examples described allocation, or data movements, within a particular schedule, allocation is also utilized between different schedules or statements of the return. For example, not only are amounts allocated from “Other costs” to “Purchases” on Schedule A, but significant amounts are also moved from “Other costs” to specific deduction line items reported on the deduction statement (page 1 of Form 1120). Taxes reported in “Other costs” of Schedule A are allocated to “Taxes paid” on the deduction statement. Conversely, amounts may also move from “Other deductions” to “Purchases” and/or

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Figure A

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Code	Description
DV	TOTAL DIVIDENDS
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GR	GROSS RECEIPTS
IA	INCOME ADJUSTMENT
IN	INTEREST
OD	OTHER DEDUCTIONS
RN	GROSS RENTS
RY	GROSS ROYALTIES

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“Other costs” on records in manufacturing industries for which cost of goods was imputed during SOI processing.

Checks and Balances

The frequency and amount of allocations performed during SOI editing require procedures and tools to ensure data integrity, both before and after allocation. Some of the more significant procedures and tools include:

- Computerized statistical consistency and validity tests are completed to ensure that all total amounts within the SOI record are in balance prior to, and after, allocation. Specific tests are also completed during allocation to ensure that data movements are consistent with other characteristics of the return. For example, data movements that could be inconsistent with the industry classification, such as allocating an amount to cost of goods sold for a company in a finance sector, are flagged for additional review. Other tests are used to verify that important relationships between data items are maintained for specific industries. For example, tests verify that “Interest paid” is the largest reported deduction item for a commercial bank and that “Notes and accounts receivable” are one of the largest reported balance sheet items for a bank holding company. Additional tests ensure that total lines on a record do not include negative amounts as the result of moving negative amounts between schedules. This becomes particularly important for allocations on a consolidated return with eliminations between subsidiaries and the corporate parent. All tests that create computerized flags must be reviewed for possible correction.
- Allocations performed on a record during a prior SOI study year can be reviewed using a lookup utility for year-to-year data comparisons.
- Computerized adjustments keep the affected schedules or statements of the return in balance when allocation is utilized.
- Complete documentation of the entire allocation process is maintained.

- Lookup tools, such as online dictionaries, aid in the process of converting taxpayer-used language and categories to more specific line items on the tax return. The online dictionaries are regularly updated when new language patterns of taxpayer reporting are identified.
- Unclear taxpayer-used language, as well as amounts that exceed a certain threshold, are allocated only after special review by SOI economists and statisticians. Such allocations are documented in the microdata record for year-to-year comparisons and maintenance of online dictionaries.
- SOI is moving to incorporate enhancements possible only with newly available data from electronically filed returns. Separate processes to capture electronic data will enable matching of language or terminology on the electronic record with terminology maintained in SOI’s online data dictionaries, thereby making electronic allocation possible in the future. This will certainly reduce the amount of manual data review and allow more standardization of terms among data dictionaries.

Perspectives on the Allocation Process

- Table 1 shows specific items to which amounts were allocated, as well as items from which amounts were allocated. From this table, it is possible to identify the source(s) that account for most of the data movements and also identify where on returns a specific item may be most frequently reported. For example, approximately \$133.0 billion were allocated to “Amortization,” with nearly 84.0 percent coming from “Other deductions.”
- Table 2 shows amounts allocated by size of total assets reported on corporate returns. Nearly \$9.3 trillion of the total amount allocated came from corporations with reported assets greater than \$500 million, with nearly \$8.3 trillion coming from those with assets of \$2.5 billion or more. Subclassifications within Table 2, and throughout the remaining tables, show that most allocation is performed for items reported on the balance

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sheet, followed by items reported in income and deductions and Schedule A. Nearly three-quarters of the balance sheet movements are due to “Accounts payable,” “Mortgages less than 1 year,” “Other investments,” and “Notes and accounts receivable.” The majority of those for Schedule A are to “Purchases,” while “Business receipts,” “Salaries and wages,” and “Amortization” account for much of the allocation within the income and deduction area.

- Table 3 presents amounts allocated by critical case classification for SOI statistical processing purposes. Critical case returns are among the largest in the SOI Corporate Program, and their presence is vital to the statistical integrity of the sample. Critical case returns are classified based on a combination of assets and industry classification.¹ Approximately \$7.7 trillion, more than 70 percent of the total allocated, were allocated for return records that were among the largest of the critical cases (i.e., supercritical cases), and more than \$1.3 trillion were allocated for other small, critical cases (i.e., other critical cases). An almost equal amount was allocated for records that were not classified as critical cases from a statistical sampling perspective (i.e., noncritical cases).
- Table 4 shows amounts allocated by type of return—whether 1120 consolidated return or other corporate return. Consolidated returns contain

the combined financial data of two or more corporations with a common corporate parent. It should be noted that amounts for consolidated returns with a common 1120-L (life insurance) or 1120-PC (property and casualty) parent are included in the column for “All other returns.” Nearly \$8.0 trillion of the total \$10.5 trillion were allocated for 1120 consolidated returns.

- Table 5 shows the percentages of SOI published data for which allocated amounts account for 5 percent or more of the total.²

Summary

Allocation, the process of moving select data items (and corresponding dollar amounts) reported by taxpayers to other, more specific items or categories, has historically contributed to the richness of SOI corporate data and is one of the many reasons that SOI data are highly valued for tax policy analysis. The total allocation amount for Tax Year 2005 exceeded \$10.5 trillion. Most allocation is performed on returns filed for corporations reporting assets greater than \$500 million. Similarly, most allocation is performed on consolidated returns, many of which are considered statistically critical to the SOI corporate sample. Amounts allocated in many cases comprise a significant proportion of published SOI data. Continual improvements and enhancements, as described in this article, contribute to the efficiency and accuracy of the process.

¹ For further information, see Davitian, Lucy (2005), “Corporation Supercritical Cases: How Do Imputed Returns on the Corporate File Compare to the Actual Return,” American Statistical Association Conference.

² Published data are contained in *Statistics of Income-Corporation Income Tax Returns, 2005* and *Statistics of Income Corporation Source Book, 2005*.

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Table 1. Selected Sources and Percentages of Allocation, Tax Year 2005

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

Item allocated to	Item allocated from	Amount	Percentage
BALANCE SHEET ALLOCATION			
Cash	Total	140,557,415	
	Other current assets	55,982,925	39.8
	Other investments	55,873,240	39.8
Notes and accounts receivable [1]	Total	2,627,124,123	
	Other current assets	2,270,396,768	86.4
Investments in government obligations	Total	256,150,117	
	Other investments	241,404,197	94.2
Tax-exempt securities	Total	294,725,395	
	Other investments	291,589,061	98.9
Other investments	Total	1,436,983,039	
	Other assets	1,358,568,648	94.5
Depreciable assets	Total	105,679,840	
	Other assets	90,703,298	85.8
Accounts payable	Total	1,618,406,908	
	Other current liabilities	1,582,596,193	97.8
Mortgages, notes, and bonds payable in less than 1 year	Total	1,147,561,260	
	Other current liabilities	1,107,095,460	96.5
Other current liabilities	Total	502,294,718	
	Other liabilities	452,935,921	90.2
Mortgages, notes, and bonds payable in 1 year or more	Total	808,337,020	
	Other liabilities	773,927,817	95.7
SCHEDULE A ALLOCATION [2]			
Purchases	Total	209,914,459	
	Other costs	144,173,639	68.7
	Other deductions	19,484,669	9.3
Cost of labor	Total	34,119,979	
	Other costs	34,119,979	100
INCOME/DEDUCTION ALLOCATION			
Business receipts	Total	325,349,196	
	Other income	295,281,877	90.8
Salaries and wages	Total	110,723,874	
	Other deductions	66,680,374	60.2
Taxes paid	Total	78,689,861	
	Other costs	40,443,572	51.4
	Other deductions	14,161,844	18.0
Amortization	Total	132,813,606	
	Other deductions	111,199,524	83.7
	Other costs	13,514,202	10.2

[1] Net of allowance for bad debts.

[2] Schedule A is entitled "Cost of Goods Sold."

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Table 2. Allocations by Size of Total Assets, Tax Year 2005

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

Allocated to	Size of total assets						
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$2,500,000	\$2,500,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
BALANCE SHEET ALLOCATION							
Total balance sheet allocations	9,252,322,347	294,096,835	82,326,378	178,274,297	219,711,640	832,099,318	7,645,813,879
Cash	140,557,415	14,147,608	2,234,185	3,808,598	3,126,374	9,233,624	108,007,026
Notes and accounts receivable[1]	2,627,124,123	40,076,298	17,578,915	40,737,704	48,608,087	154,276,422	2,325,846,698
Inventories	19,120,706	2,753,382	529,644	554,500	644,368	2,783,975	11,854,837
Investments in government obligations	256,150,117	2,383,009	2,255,124	5,927,030	6,540,119	23,642,742	215,402,093
Tax-exempt securities	294,725,395	1,720,224	1,452,360	4,520,456	7,271,259	25,438,631	254,322,465
Other current assets	86,232,449	2,229,330	1,718,431	3,632,368	8,059,594	27,107,753	43,484,973
Loans to shareholders	452,520	330,259	56,543	65,699	18	0	0
Mortgage and real estate loans	84,798,297	4,088,302	1,063,763	2,735,199	2,072,708	4,124,497	70,713,828
Other investments	1,436,983,039	70,554,057	15,455,136	27,256,335	28,565,646	138,722,207	1,156,429,658
Depreciable assets	105,679,840	12,622,197	2,463,660	3,293,091	2,927,652	12,794,262	71,578,978
Less accumulated depreciation	3,314,410	47,100	993	4,239	497	68,464	3,193,117
Depletable assets	-13,127,879	-8,804,446	-1,419,266	-1,622,789	-1,340,289	-2,536,748	2,595,658
Land	7,480,636	5,091,533	365,871	273,745	423,702	1,280,439	45,345
Intangible assets (amortizable)	77,140,460	2,074,650	283,217	589,250	1,023,901	5,466,374	67,703,068
Less accumulated amortization	5,318,441	421,978	23,254	93,677	64,982	718,432	3,996,119
Other assets	18,201,092	869,886	270,044	360,985	947,508	3,139,826	12,612,842
Accounts payable	1,618,406,908	39,552,190	10,299,498	27,437,247	37,938,966	177,525,512	1,325,653,496
Mortgages, notes, and bonds payable in less than 1 year	1,147,561,260	51,467,861	8,975,919	14,360,507	19,174,562	70,541,959	983,040,452
Other current liabilities	502,294,718	4,368,295	7,993,863	24,159,502	32,248,832	91,403,690	342,120,537
Loans from shareholders	1,244,355	492,786	176	1,865	-41,984	164,021	627,491
Mortgages, notes, and bonds payable in 1 year or more	808,337,020	46,363,923	10,068,325	19,259,197	20,760,087	82,032,719	629,852,769
Other liabilities	2,190,365	76,332	202	9,643	1,306	166,411	1,936,472
Capital stock	3,983,868	544,807	433,673	537,691	193,694	986,789	1,287,213
Additional paid-in capital	321,542	290,541	15,640	0	14,111	1,250	0
Retained earnings, appropriated	11,859,335	217,956	10,437	59,873	60,513	798,720	10,711,836
Retained earnings, unappropriated	5,962,939	116,165	195,553	211,538	425,430	2,217,346	2,796,907
Less cost of treasury stock	8,978	610	1,219	7,148	0	0	0
SCHEDULE A ALLOCATION [2]							
Total Schedule A allocations	255,838,224	75,957,673	7,623,264	10,766,725	16,406,733	33,005,571	112,078,259
Inventory, beginning of year	3,540,214	230,012	61,099	-36,840	205,039	1,793,178	1,287,725
Purchases	209,914,459	62,177,302	6,179,857	8,697,023	9,516,574	26,831,768	96,511,935
Cost of labor	34,119,979	9,977,286	977,537	1,631,338	6,419,584	3,799,932	11,314,302
Additional inventory costs (section 263A)	-33,988	2,981	-8,235	30,735	-2,993	6,466	-62,941
Other costs	8,297,561	3,570,092	413,006	444,468	268,529	574,226	3,027,239

Footnotes at end of table.

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Table 2. Allocations by Size of Total Assets, Tax Year 2005—Continued

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

Allocated to	Size of total assets						
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$2,500,000	\$2,500,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
INCOME/DEDUCTION ALLOCATION							
Total income/deduction allocations	969,916,825	248,466,542	23,327,267	36,469,074	32,989,233	109,917,794	518,746,915
Business receipts	325,349,196	47,454,639	3,909,977	7,866,028	8,053,558	29,559,730	228,505,263
Interest received	6,038,118	869,489	167,256	175,105	203,485	879,150	3,743,633
Rents	3,098,161	892,226	51,166	103,610	69,327	226,263	1,755,570
Royalties	2,381,673	262,598	52,475	303,830	146,782	515,816	1,100,172
Net gain, noncapital assets	-574,632	429,339	29,233	78,967	110,586	329,021	-1,551,778
Total dividends	760,816	159,757	7,277	15,230	8,376	117,107	453,068
Other income	-48,168	-19	-59	-12,046	-36,044	0	0
Compensation of officers	539,846	503,811	11,667	32,347	-1,573	5,873	-12,279
Salaries and wages	110,723,874	51,759,605	2,411,660	3,886,755	2,792,638	8,627,051	41,246,164
Repairs	15,133,389	5,901,665	304,044	386,827	340,760	1,416,487	6,783,606
Bad Debts	1,952,190	166,912	14,837	46,657	41,972	106,394	1,575,418
Rent paid on business property	71,692,663	42,209,168	2,867,876	3,477,604	2,312,202	7,008,782	13,817,032
Taxes paid	78,689,861	30,521,676	3,169,555	4,161,865	3,443,230	10,354,312	27,039,224
Interest paid	5,330,735	1,924,979	110,757	162,951	93,824	537,465	2,500,759
Charitable contributions	460,172	186,704	5,692	7,506	6,232	77,962	176,075
Amortization	132,813,606	12,457,355	2,817,537	5,247,676	5,955,292	20,229,517	86,106,229
Depreciation	85,097,522	16,773,533	3,610,775	5,496,169	4,759,749	14,043,915	40,413,381
Depletion	3,393,447	243,416	56,102	172,293	62,744	174,827	2,684,064
Advertising	11,817,461	2,606,962	141,708	225,337	304,857	662,042	7,876,556
Pension, profit-sharing, etc. plans	11,307,407	2,278,353	252,124	414,416	319,947	1,181,432	6,861,136
Employee benefit programs	72,970,527	29,522,757	3,050,952	3,505,290	3,234,605	8,530,674	25,126,250
Employee stock option dividends	1,122,599	98,959	23,402	39,552	4,209	40,901	915,576
Intangible drilling costs	30,304,541	1,384,019	271,838	685,144	815,468	5,335,998	21,812,075
Other deductions	-438,179	-141,363	-10,582	-10,037	-52,994	-42,925	-180,279
Total all allocations	10,478,077,397	618,521,050	113,276,908	225,510,096	269,107,606	975,022,684	8,276,639,052

[1] Net of allowance for bad debts.

[2] Schedule A is entitled "Cost of Goods Sold."

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Table 3. Allocations by Critical Case Classification, Tax Year 2005

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

Allocated to	Level of critical case			
	Total	Supercritical	Other critical	Noncritical
	(1)	(2)	(3)	(4)
BALANCE SHEET ALLOCATION				
Total balance sheet allocations	9,252,322,347	7,098,297,993	1,123,335,871	1,030,688,483
Cash	140,557,415	82,022,122	33,561,520	24,973,773
Notes and accounts receivable [1]	2,627,124,123	2,217,028,446	218,451,928	191,643,748
Inventories	19,120,706	12,159,531	3,173,210	3,787,965
Investments in government obligations	256,150,117	195,817,039	30,577,254	29,755,824
Tax-exempt securities	294,725,395	216,598,245	55,394,693	22,732,457
Other current assets	86,232,449	34,177,409	19,710,529	32,344,511
Loans to shareholders	452,520	0	65,718	386,803
Mortgage and real estate loans	84,798,297	54,816,077	20,535,779	9,446,441
Other investments	1,436,983,039	1,104,283,146	179,177,032	153,522,860
Depreciable assets	105,679,840	71,344,323	17,406,444	16,929,073
Less accumulated depreciation	3,314,410	3,013,502	252,351	48,556
Depletable assets	-13,127,879	2,409,279	-5,072,548	-10,464,611
Land	7,480,636	45,345	1,974,617	5,460,673
Intangible assets (amortizable)	77,140,460	67,707,474	6,902,742	2,530,244
Less accumulated amortization	5,318,441	3,949,368	914,503	454,570
Other assets	18,201,092	12,750,435	3,748,844	1,701,813
Accounts payable	1,618,406,908	1,234,113,467	157,515,749	226,777,693
Mortgages, notes, and bonds payable in less than 1 year	1,147,561,260	925,695,109	129,965,341	91,900,810
Other current liabilities	502,294,718	261,175,188	107,519,888	133,599,641
Loans from shareholders	1,244,355	771,089	-19,697	492,963
Mortgages, notes, and bonds payable in 1 year or more	808,337,020	586,365,843	136,720,751	85,250,426
Other liabilities	2,190,365	1,926,114	185,704	78,547
Capital stock	3,983,868	577,213	721,920	2,684,736
Additional paid-in capital	321,542	0	1,250	320,292
Retained earnings, appropriated	11,859,335	9,325,250	1,668,698	865,387
Retained earnings, unappropriated	5,962,939	226,978	2,281,651	3,454,310
Less cost of treasury stock	8,977	0	0	8,977
SCHEDULE A ALLOCATION [2]				
Total Schedule A allocations	255,838,225	115,829,989	53,373,230	86,635,007
Inventory, beginning of year	3,540,214	1,395,494	1,782,719	362,001
Purchases	209,914,459	99,048,181	39,361,186	71,505,093
Cost of labor	34,119,979	11,841,142	11,043,528	11,235,309
Additional inventory costs (section 263A)	-33,988	-61,437	21,151	6,298
Other costs	8,297,561	3,606,609	1,164,646	3,526,306
INCOME/DEDUCTION ALLOCATION				
Total income/deduction allocations	969,916,825	512,044,762	164,071,991	293,800,071
Business receipts	325,349,196	228,667,399	37,556,597	59,125,199
Interest received	6,038,118	3,839,852	1,002,066	1,196,200
Rents	3,098,161	1,278,761	750,963	1,068,437
Royalties	2,381,673	1,375,939	665,838	339,896
Net gain, noncapital assets	-574,632	-1,535,650	411,819	549,198
Total dividends	760,816	321,994	206,687	232,134
Other income	-48,168	0	-537	-47,631
Compensation of officers	539,846	-7,064	26,423	520,487
Salaries and wages	110,723,874	32,530,014	18,100,273	60,093,586
Repairs	15,133,389	6,891,711	1,943,319	6,298,359
Bad debts	1,952,190	1,482,688	180,968	288,534
Rent paid on business property	71,692,663	14,003,474	12,004,585	45,684,604
Taxes paid	78,689,861	27,895,344	15,974,760	34,819,757
Interest paid	5,330,735	2,419,401	995,769	1,915,565
Charitable contributions	460,172	181,274	75,915	202,983
Amortization	132,813,606	87,548,282	27,803,060	17,462,264
Depreciation	85,097,522	40,874,618	21,610,063	22,612,841
Depletion	3,393,447	2,684,530	409,058	299,858
Advertising	11,817,461	7,218,668	1,609,577	2,989,216
Pension, profit-sharing, etc. plans	11,307,407	6,605,926	1,933,734	2,767,747
Employee benefit programs	72,970,527	24,504,687	14,763,725	33,702,115
Employee stock option dividends	1,122,599	828,292	138,646	155,661
Intangible drilling costs	30,304,541	22,509,202	6,055,981	1,739,359
Other deductions	-438,179	-74,581	-147,299	-216,300
Total all allocations	10,478,077,397	7,726,172,744	1,340,781,092	1,411,123,562

[1] Net of allowance for bad debts.

[2] Schedule A is entitled "Cost of Goods Sold."

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Table 4. Allocations for Form 1120 Consolidated Returns and All Other Returns, Tax Year 2005

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

Allocated to	Total	Form 1120 consolidated returns	All other returns
	(1)	(2)	(3)
BALANCE SHEET ALLOCATION			
Total balance sheet allocations	9,252,322,347	7,211,065,029	2,041,257,318
Cash	140,557,415	79,236,250	61,321,165
Notes and accounts receivable [1]	2,627,124,123	2,307,951,967	319,172,157
Inventories	19,120,706	14,400,126	4,720,580
Investments in government obligations	256,150,117	147,134,335	109,015,782
Tax-exempt securities	294,725,395	14,222,115	280,503,280
Other current assets	86,232,449	20,514,448	65,718,000
Loans to shareholders	452,520	102,596	349,924
Mortgage and real estate loans	84,798,297	69,694,556	15,103,741
Other investments	1,436,983,039	1,141,568,331	295,414,708
Depreciable assets	105,679,840	82,566,638	23,113,201
Less accumulated depreciation	3,314,410	1,799,350	1,515,059
Depletable assets	-13,127,879	-4,099,122	-9,028,757
Land	7,480,636	1,217,486	6,263,149
Intangible assets (amortizable)	77,140,460	70,833,700	6,306,760
Less accumulated amortization	5,318,441	4,522,139	796,302
Other assets	18,201,092	14,540,568	3,660,524
Accounts payable	1,618,406,908	1,204,490,608	413,916,300
Mortgages, notes, and bonds payable in less than 1 year	1,147,561,260	944,622,699	202,938,562
Other current liabilities	502,294,718	417,643,024	84,651,694
Loans from shareholders	1,244,355	767,548	476,807
Mortgages, notes, and bonds payable in 1 year or more	808,337,020	668,316,771	140,020,250
Other liabilities	2,190,365	2,123,930	66,435
Capital stock	3,983,868	1,953,118	2,030,750
Additional paid-in capital	321,542	565	320,977
Retained earnings, appropriated	11,859,335	4,518,198	7,341,137
Retained earnings, unappropriated	5,962,939	415,804	5,547,136
Less cost of treasury stock	8,978	7,281	1,697
SCHEDULE A ALLOCATION [2]			
Total Schedule A allocations	255,838,225	170,362,477	85,475,748
Inventory, beginning of year	3,540,214	3,183,694	356,520
Purchases	209,914,459	138,317,667	71,596,793
Cost of labor	34,119,979	24,458,312	9,661,667
Additional inventory costs (section 263A)	-33,988	-29,316	-4,672
Other costs	8,297,561	4,432,120	3,865,440
INCOME/DEDUCTION ALLOCATION			
Total income/deduction allocations	969,916,825	606,435,616	363,481,209
Business receipts	325,349,196	255,115,834	70,233,362
Interest received	6,038,118	4,547,408	1,490,710
Rents	3,098,161	1,419,662	1,678,499
Royalties	2,381,673	2,152,667	229,006
Net gain, noncapital assets	-574,632	-1,095,964	521,332
Total dividends	760,816	546,100	214,716
Other income	-48,168	-596	-47,572
Compensation of officers	539,846	-5,555	545,402
Salaries and wages	110,723,874	6,974,617	103,749,256
Repairs	15,133,389	8,250,854	6,882,535
Bad debts	1,952,190	1,730,415	221,775
Rent paid on business property	71,692,663	26,289,864	45,402,800
Taxes paid	78,689,861	40,996,955	37,692,906
Interest paid	5,330,735	1,740,118	3,590,617
Charitable contributions	460,172	125,858	334,314
Amortization	132,813,606	116,176,001	16,637,605
Depreciation	85,097,522	60,403,648	24,693,875
Depletion	3,393,447	2,877,543	515,904
Advertising	11,817,461	4,610,234	7,207,228
Pension, profit-sharing, etc. plans	11,307,407	6,299,748	5,007,659
Employee benefit programs	72,970,527	38,193,983	34,776,544
Employee stock option dividends	1,122,599	934,550	188,049
Intangible drilling costs	30,304,541	28,205,258	2,099,283
Other deductions	-438,179	-53,584	-384,595
Total all allocations	10,478,077,397	7,987,863,122	2,490,214,275

[1] Net of allowance for bad debts.

[2] Schedule A is entitled "Cost of Goods Sold."

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Table 5. Allocations Accounting for Five Percent or More of Published Data, Tax Year 2005

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

Allocated to	Published amount	Amount allocated	Percentage
	(1)	(2)	(3)
BALANCE SHEET ALLOCATION			
Accounts payable	6,028,618,202	1,618,406,908	26.8
Mortgages, notes, and bonds payable in less than 1 year	4,192,065,342	1,147,561,260	27.4
Tax-exempt securities	1,468,019,062	294,725,395	20.1
Investments in government obligations	1,613,373,550	256,150,117	15.9
Mortgages, notes, and bonds payable in 1 year or more	8,331,501,033	808,337,020	9.7
Other investments	25,161,629,498	1,436,983,039	5.7
Cash	2,823,419,976	140,557,415	5.0
INCOME/DEDUCTION ALLOCATION			
Amortization	140,874,992	132,813,606	94.3
Depletion	15,421,478	3,393,447	22.0
Taxes paid	472,952,167	78,689,861	16.6
Depreciation	530,931,029	85,097,522	16.0
Rent paid on business property	438,512,225	71,692,663	16.3
Repairs	154,331,486	15,133,389	9.8
Pension, profit-sharing, etc. plans	146,824,063	11,307,407	7.7