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Inside this Issue

Sole Proprietorship Returns, 2008

by Adrian Dungan

For Tax Year 2008, about 22.6 million individual income tax returns reported nonfarm sole proprietorship activity, a 2.2-percent decrease since Tax Year 2007. Between Tax Years 2007 and 2008, reported profits for those sole proprietorships shrank by 5.7 percent to \$264.5 billion. In constant dollars, reported profits decreased for the third consecutive year, by 7.7 percent, after decreasing 1.8 percent between 2006 and 2007 and 0.4 percent between 2005 and 2006. This was the first time that profits (in constant dollars) have decreased for 3 consecutive years since before 1988.

Professional, scientific, and technical services had the largest profits of any sector, at \$74.3 billion, representing 28.1 percent of total sole proprietorship profits. The largest sole proprietorship industrial sector, based on business receipts, was construction, which accounted for 15.7 percent of receipts and reported a 10.5-percent decrease between Tax Years 2007 and 2008. The finance and insurance sector showed the largest percentage increase in both receipts and deductions, reporting a 19.5-percent increase in receipts and a 27.8-percent increase in deductions. The real estate and rental and leasing sector, which reported the largest decline in profits between 2006 and 2007, at 17.7 percent, reported a 36.1-percent decline in profits between 2007 and 2008.

Foreign-Controlled Domestic Corporations, 2007

by James R. Hobbs

Foreign-controlled domestic corporations (FCDCs) filed 64,026 U.S. income tax returns for Tax Year 2007, accounting for only 1.1 percent of all U.S. corporation income tax returns filed for the year. However, FCDCs accounted for 14.7 percent of receipts and 13.7 percent of assets reported on all corporate returns filed for 2007.

FCDCs reported \$4.2 trillion in total receipts for 2007, a 9.8-percent increase since 2006. Manufacturers produced \$1.9 trillion in receipts, wholesalers accounted for \$0.9 trillion in receipts, and finance and insurance companies tallied \$0.6 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$1.0 trillion, 22.9 percent of the FCDC total. Domestic corporations with owners resident in Japan (15.1 percent of the total), Germany (11.5 percent), Canada (8.6 percent), the Netherlands (7.2 percent), France (6.7 percent), and Switzerland (6.6 percent) also accounted for significant amounts of receipts.

All FCDCs reported a combined net income (less deficit) of \$152.3 billion for 2007. Almost half (30,929 or 48.3 percent) of FCDCs reported profits (i.e., net income) totaling \$226.4 billion, and those companies reported \$183.8 billion in taxable income. FCDCs reported \$52.8 billion in U.S. tax liability for 2007.

Corporate Foreign Tax Credit, 2006

by Nuria E. McGrath

For Tax Year 2006, U.S. corporations reported more than \$78 billion in foreign tax credits on about \$847 billion in worldwide taxable income. The manufacturing industry accounted for the largest percentage of foreign-source taxable income. Together, income earned in the United Kingdom, Canada, Norway, and Japan accounted for almost 34 percent of foreign-source taxable income reported for 2006.

Statistics of Income Studies of International Income and Taxes

by Melissa Costa and Nuria E. McGrath

Based on data from the Statistics of Income Division's studies of international income and taxes, this article presents trends toward increased foreign activity of U.S. persons, as well as increased U.S. activity of foreign persons. Real foreign-source taxable income for corporations with a foreign tax credit, for example, rose 43 percent between Tax Years 2002 and 2004. Likewise, real total receipts of controlled foreign corporations grew 19 percent between Tax Years 2004 and 2006, while total receipts for U.S. corporations increased by only 11.5 percent. The portion of total receipts from all U.S. corporations earned by those controlled by foreign persons grew from 2 percent for Tax Year 1971 to nearly 14 percent for Tax Year 2006. Individual foreign-source

income and foreign earned income have also risen faster than individual worldwide income in recent years, while the real amount of payments distributed to foreign persons continues to rise.

In the Next Issue

The following articles or data releases are tentatively planned for inclusion in the fall 2010 issue of the *Statistics of Income Bulletin*, scheduled to be published in November 2010:

- Individual income tax returns, Tax Year 2008;
- Partnership returns, Tax Year 2008;
- Charities and other tax exempt organizations, Tax Year 2007;
- Private foundations and charitable trusts, Tax Year 2007; and
- Tax-exempt governmental and private activity bonds, Calendar Year 2007.

Revisions to Prior Issues

Charities, Labor and Agricultural, and other Tax-Exempt Organizations, 2005—Fall 2008 Issue Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006—Fall 2009 Issue

On page 274 of the fall 2008 issue, and on page 254 of the fall 2009 issue

Figure E (“Selected Items for Nonprofit Charitable Organizations, Classified by NTEE Category”) from the articles “Charities, Labor and Agricultural, and Other Tax-Exempt Organizations, 2005,” in the fall 2008 issue of the *SOI Bulletin*, and “Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006,” in the fall 2009 issue of the *SOI Bulletin*, presented incorrect data for three categories (Mutual, membership benefit; Public, societal benefit; and Religion related). Corrected data for Tax Years 2005 and 2006 are presented below; data for Tax Years 2004 and 2007 are also presented.

Selected Items for Nonprofit Charitable Organizations Classified by NTEE Category, Tax Years 2004–2007

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

NTEE major category [1]	Number of returns	Total assets	Net assets	Revenue			Total expenses	Excess of revenue over expenses
				Total	Contributions, gifts, and grants	Program service revenue		
Tax Year 2004								
Total	276,199	2,058,610	1,276,100	1,152,989	248,569	801,199	1,058,489	94,500
Arts, culture, and humanities	28,615	81,094	65,973	25,515	14,151	6,313	22,148	3,367
Education	48,920	677,087	486,746	220,139	64,470	116,619	185,093	35,046
Environment, animals	11,576	30,473	25,128	11,134	6,796	2,458	9,450	1,684
Health	36,372	801,770	424,567	655,063	46,561	575,542	619,048	36,015
Human services	104,837	236,302	114,700	157,653	62,853	81,785	151,549	6,104
International, foreign affairs	3,486	15,131	10,987	17,077	15,360	1,142	15,933	1,144
Mutual, membership benefit	674	13,285	9,746	2,850	178	1,748	2,127	723
Public, societal benefit	24,148	184,848	123,267	55,170	32,350	14,307	45,937	9,233
Religion related	17,416	18,619	14,984	8,376	5,840	1,284	7,193	1,183
Unknown/unclassified*	156	2	2	11	11	0	11	[2]
Tax Year 2005								
Total	286,615	2,241,887	1,411,252	1,252,889	276,292	852,638	1,137,908	114,981
Arts, culture, and humanities	28,972	89,167	72,625	29,187	15,860	6,962	23,790	5,397
Education	52,530	744,531	548,623	243,061	69,934	126,802	201,456	41,605
Environment, animals	12,422	33,494	27,510	12,355	7,723	2,667	10,352	2,003
Health	35,669	860,780	463,266	698,535	52,146	607,470	660,350	38,185
Human services	108,283	251,228	123,486	171,451	70,069	86,278	161,401	10,050
International, foreign affairs	4,167	17,587	12,810	19,226	16,700	1,647	17,388	1,838
Mutual, membership benefit	[r] 667	[r] 15,216	[r] 7,272	[r] 2,670	[r] 207	[r] 1,564	[r] 2,249	[r] 421
Public, societal benefit	[r] 25,722	[r] 208,372	[r] 138,191	[r] 67,360	[r] 37,460	[r] 17,818	[r] 53,119	[r] 14,241
Religion related	[r] 18,182	[r] 21,512	[r] 17,470	[r] 9,045	[r] 6,193	[r] 1,430	[r] 7,803	[r] 1,242

Footnotes at end of table.

Revisions to Prior Issues

Charities, Labor and Agricultural, and other Tax-Exempt Organizations, 2005—Fall 2008 Issue—Continued Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006—Fall 2009 Issue—Continued

Selected Items for Nonprofit Charitable Organizations Classified by NTEE Category, Tax Years 2004–2007—Continued

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

NTEE major category [1]	Number of returns	Total assets	Net assets	Revenue			Total expenses	Excess of revenue over expenses
				Total	Contributions, gifts, and grants	Program service revenue		
Tax Year 2006								
Total	301,214	2,549,728	1,617,717	1,370,880	303,168	920,222	1,230,416	140,464
Arts, culture, and humanities	30,579	98,971	80,857	32,220	17,466	7,453	26,262	5,958
Education	54,926	856,402	641,767	275,628	81,198	135,094	217,637	57,992
Environment, animals	13,341	37,716	31,430	13,628	8,948	2,607	10,389	3,239
Health	36,199	967,529	522,623	759,415	55,422	659,331	716,413	43,003
Human services	114,350	275,369	138,149	178,563	70,185	91,605	169,532	9,032
International, foreign affairs	5,007	22,064	16,106	20,764	17,995	1,747	19,011	1,753
Mutual, membership benefit	[r] 853	[r] 17,852	[r] 8,532	[r] 2,862	[r] 189	[r] 1,573	[r] 2,312	[r] 550
Public, societal benefit	[r] 27,534	[r] 249,845	[r] 159,038	[r] 77,799	[r] 45,154	[r] 19,285	[r] 60,642	[r] 17,156
Religion related	[r] 18,425	[r] 23,982	[r] 19,214	[r] 10,001	[r] 6,611	[r] 1,527	[r] 8,218	[r] 1,782
Tax Year 2007								
Total	313,121	2,683,444	1,674,389	1,445,932	324,542	980,343	1,317,227	128,705
Arts, culture, and humanities	31,791	102,179	82,111	33,959	18,527	8,307	28,263	5,695
Education	55,415	939,820	663,565	293,080	92,154	149,073	243,925	49,155
Environment, animals	14,389	39,934	33,396	14,778	9,685	2,966	11,437	3,341
Health	36,464	1,015,064	542,612	801,011	60,156	697,444	758,714	42,297
Human services	119,971	290,268	141,648	187,767	71,973	98,784	178,803	8,964
International, foreign affairs	5,086	23,689	17,220	22,565	19,599	1,838	21,597	968
Mutual, membership benefit	662	18,280	8,884	3,293	245	1,972	2,463	830
Public, societal benefit	29,445	228,443	164,595	78,555	44,645	18,395	62,663	15,892
Religion related	19,898	25,766	20,357	10,924	7,558	1,564	9,362	1,562

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

[1] The National Taxonomy of Exempt Entities (NTEE) is a classification system that uses 26 major field areas that are aggregated into the categories shown above. It was developed by the National Center for Charitable Statistics.

[2] Less than \$500,000.

[r] Revised

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

Sole Proprietorship Returns, 2008

by Adrian Dungan

For Tax Year 2008, there were approximately 22.6 million individual income tax returns that reported nonfarm sole proprietorship activity, a 2.2-percent decrease from 2007. Profits reported on these returns fell to \$264.5 billion in 2008, a 5.7-percent decrease from 2007. In constant dollars, total nonfarm sole proprietorship profits decreased for the third consecutive year, by 7.7 percent, after decreasing 1.8 in 2007 and 0.4 percent in 2006. Among all industrial sectors, the real estate and rental and leasing sector experienced the most significant downturn in both profits and receipts from Tax Year 2007 to 2008. Profits in the real estate and rental and leasing sector, which had decreased by 18.5 percent in 2006 and 17.7 percent in 2007, experienced an even steeper drop of 36.1 percent in 2008.¹ In current dollar terms, these profits fell from \$22.3 billion in 2007 to \$14.3 billion in 2008. However, not all industrial sectors reported declines in profits for 2008. The professional, scientific, and technical services sector, which represented 28.1 percent of total sole proprietorship profits at \$74.3 billion, had the largest profits of any sector, increasing 3.8 percent from 2007. Reporting the second largest profits of any sector was the health care and social assistance sector, with 18.0 percent of total profits, at \$47.5 billion. This sector also had increased profits of 3.2 percent.

For the second year in a row, the real estate and rental and leasing sector reported the largest percentage decrease in receipts, dropping from \$71.0 billion in 2007 to \$58.1 billion in 2008, an 18.2-percent decrease that was more than double its

8.0-percent decrease in 2007. For sole proprietorships as a whole, receipts decreased 0.5 percent, and deductions increased 0.9 percent. Among all industrial sectors, the construction sector reported the largest percentage of total business receipts, with 15.7 percent, while the retail trade sector reported the largest percentage of total business deductions, with 17.9 percent. The construction sector reported a 10.5-percent decrease in receipts and a 9.0-percent decrease in deductions, while the retail trade sector had small decreases in receipts (1.0 percent) and deductions (0.3 percent). Although not among the larger of the industrial sectors, the finance and insurance sector reported the largest percentage increase in both receipts and deductions, with a 19.5-percent increase in business receipts and a 27.8-percent increase in deductions.

Returns and Receipts

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 2008 decreased 2.2 percent to more than 22.6 million (Figure A).² The largest sector in terms of number of returns was the professional, scientific, and technical services sector. This sector decreased by 0.5 percent to just more than 3.2 million returns. The construction sector, which was the second largest sector, had roughly 2.8 million returns, a decrease of 3.7 percent. The only two sectors that experienced increases in the number of returns were administrative, support, waste management, and remediation services (2.3 percent) and arts, entertainment, and recreation (5.0 percent).

Total business receipts (the sum of “income from sales and operations” and “other business income”) for all nonfarm sole proprietorship industries decreased 0.5 percent, from \$1,324.4 billion to \$1,317.4

Adrian Dungan is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.

¹ Dungan, Adrian, “Sole Proprietorship Returns, 2007,” *Statistics of Income Bulletin*, Summer 2009, Volume 29, Number 1, pp. 5–66. Profits in the real estate and rental and leasing sector decreased from \$27.2 billion in 2006 to \$22.3 billion in 2007.

² For 2008, the 22,614,483 nonfarm sole proprietorship returns accounted for an estimated 25,208,343 nonfarm businesses. For purposes of the statistics, if a proprietor owned more than one business, the statistics for each business were combined with those of the proprietor’s dominant business and included in the industrial group for that business activity. When this occurred, the sum of net incomes (for businesses reporting a positive net income) reduced by the sum of net deficits (for businesses reporting a deficit) yielded the profits for a specific industrial group.

The North American Industry Classification System (NAICS) was used to classify data by industries for 2008. These classifications were applied on a “per business” (rather than on a “per establishment”) basis for Statistics of Income by combining various industry groups, although businesses were further combined as described above. While the wording of the industry titles used for the sole proprietorship statistics diverge somewhat from those appearing in NAICS, the definitions are consistent.

The North American Industry Classification System for industrial coding was introduced in Tax Year 1998. Due to coding changes, comparisons between data by industries for 1998 to 2008 and 1997 and prior years may show inconsistencies. A reason for this was that several types of sole proprietorships under NAICS were classified in completely different industrial groups, which makes prior-year comparisons inappropriate. For example, in 1997, finance, insurance and real estate were grouped by Standard Industrial Classification (SIC) codes as one industry, while the group has been split into two industrial sectors under NAICS. The industrial sectors based on NAICS codes are reported in Tables 1 and 2.

Figure A

Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Selected Industrial Sectors, Tax Years 2007 and 2008

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

Industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	2007	2008	Percentage increase	2007	2008	Percentage increase	2007	2008	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All nonfarm industries	23,122.7	22,614.5	-2.2	1,324.4	1,317.4	-0.5	1,044.3	1,053.7	0.9
Construction	2,931.1	2,821.7	-3.7	230.8	206.7	-10.5	195.2	177.6	-9.0
Specialty trade contractors	2,347.4	2,263.3	-3.6	159.7	143.1	-10.4	131.9	119.4	-9.5
Wholesale trade (merchant wholesalers)	340.4	325.5	-4.4	50.4	52.3	3.8	45.6	48.3	5.7
Retail trade	2,436.3	2,275.5	-6.6	198.9	196.8	-1.0	189.5	188.9	-0.3
Transportation and warehousing	1,154.8	1,047.7	-9.3	82.1	81.1	-1.3	71.2	71.8	0.8
Finance and insurance	726.0	693.1	-4.5	94.0	112.3	19.5	73.8	94.3	27.8
Real estate and rental and leasing	1,393.4	1,278.9	-8.2	71.0	58.1	-18.2	48.7	43.9	-9.9
Real estate	1,336.8	1,217.1	-9.0	66.9	52.9	-21.0	44.8	38.7	-13.5
Professional, scientific, and technical services	3,234.5	3,218.9	-0.5	169.3	172.0	1.6	97.8	97.8	0.1
Administrative and support and waste management and remediation services	2,251.0	2,302.8	2.3	60.3	61.4	1.8	43.9	44.5	1.3
Health care and social assistance	2,016.4	1,998.3	-0.9	115.5	118.6	2.7	69.5	71.1	2.4
Child day care services	797.9	788.4	-1.2	12.5	13.2	6.1	7.9	8.3	5.1
Arts, entertainment, and recreation	1,283.3	1,347.8	5.0	31.0	33.1	6.6	23.5	25.1	7.1
Performing arts, spectator sports, and related industries	1,068.0	1,094.0	2.4	23.9	24.6	2.8	16.5	17.1	3.2
Other services	2,416.2	2,360.1	-2.3	84.8	83.0	-2.1	65.6	64.9	-1.1
Personal and laundry services	1,583.3	1,597.9	0.9	43.6	42.9	-1.4	30.8	29.8	-3.3
All other industries	2,939.2	2,944.3	0.2	136.2	141.9	4.2	120.1	125.6	4.6

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years.
 NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

billion.³ The construction sector was the largest sector in terms of business receipts and accounted for 15.7 percent of total business receipts in 2008. Its receipts decreased by 10.5 percent, dropping even more steeply than last year's 2.4 percent decline. This comes after the 11.9-percent and 6.5-percent increases in 2005 and 2006, respectively. The retail trade sector, the second largest sector in terms of business receipts, was also down in total receipts, declining 1.0 percent from 2007 levels. The two industries with the largest percentage increases in business receipts were the finance and insurance sector and the arts, entertainment, and recreation sector. They grew by 19.5 percent and 6.6 percent, respectively, providing a combined total increase of \$20.4 billion in business receipts. For all sectors, total business receipts for nonfarm sole proprietor-

ships decreased by \$7.0 billion in 2008. For the nonfarm industries experiencing a decline in business receipts, the total decrease was \$42.0 billion. The construction sector, combined with the real estate, rental, and leasing sector, accounted for \$37.1 billion of the decrease in business receipts, or 88.3 percent of the aggregate decline. For the nonfarm industries experiencing a rise in business receipts, the total increase was \$35.0 billion. The finance and insurance sector alone was responsible for 52.4 percent of this increase. For the last 3 years, the real estate and rental and leasing sector has shown the largest percentage decrease in receipts. For Tax Years 2006 and 2007, receipts decreased 6.9 percent and 8.0 percent, respectively. For Tax Year 2008, the drop in receipts was even more substantial, falling by 18.2 percent. In constant dollar terms, total business re-

³ Statistics for "business receipts, total" in Table 2 represent the total receipts of the business, mainly gross receipts from sales and operations. Business receipts also include miscellaneous business receipts, such as incidental sales of scrap, shown separately in the statistics as "other business income." However, business receipts exclude incidental investment income received through the business. Examples of such incidental investment income are interest, dividends, income or loss from rents or royalties, and capital or ordinary gain or loss from the sale of investment and business property. Sole proprietors report incidental investment income, in combination with nonbusiness related investment income, as part of their total income on their individual income tax returns.

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ceipts for 2008 decreased 2.6 percent, after 5 straight years of increases. (Figure B).⁴

Deductions

Total business deductions (“cost of sales and operations” plus business expenses, including expenses for home office), in current dollars, increased 0.9 percent from \$1,044.3 billion for 2007 to \$1,053.7 billion for

2008 (Figure A).^{5,6} In addition to reporting the largest percentage increase in receipts, the finance and insurance sector also reported the largest percentage increase in total business deductions with 27.8 percent. The largest sector in terms of total business deductions, the retail trade sector, reported a 0.3-percent decrease in deductions. The second largest sector, the construction sector, reported a decrease

Figure B

Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1988–2008

[Money amounts are in billions of dollars]

Tax year	Total business receipts			Total business deductions [1]			Net income less deficit (profits)		
	Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]	
		Amount	Percentage increase		Amount	Percentage increase		Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	672.0	887.8	[3]	545.7	720.9	[3]	126.3	166.9	[3]
1989	692.8	881.9	-0.7	560.2	713.1	-1.1	132.7	168.9	1.2
1990	730.6	895.5	1.5	589.2	722.1	1.3	141.4	173.3	2.6
1991	712.6	843.9	-5.8	571.2	676.4	-6.3	141.5	167.6	-3.3
1992	737.1	853.3	1.1	583.1	675.0	-0.2	154.0	178.3	6.4
1993	757.2	856.8	0.4	600.8	679.7	0.7	156.5	177.0	-0.7
1994	790.6	876.0	2.2	623.8	691.2	1.7	166.8	184.8	4.4
1995	807.4	876.6	0.1	638.1	692.8	0.2	169.3	183.8	-0.6
1996	843.2	898.5	2.5	666.5	710.1	2.5	176.8	188.3	2.5
1997	870.4	912.2	1.5	683.9	716.7	0.9	186.6	195.6	3.9
1998	918.3	951.8	4.3	716.2	742.3	3.6	202.3	209.7	7.2
1999	969.3	990.5	4.1	761.4	778.0	4.8	207.9	212.5	1.3
2000	1,021.0	1,021.0	3.1	806.4	806.4	3.6	214.7	214.7	1.1
2001	1,016.8	993.3	-2.7	799.6	781.1	-3.1	217.4	212.3	-1.1
2002	1,029.7	990.6	-0.3	808.9	778.2	-0.4	221.1	212.7	0.2
2003	1,050.2	990.8	[4]	820.2	773.8	-0.6	230.3	217.3	2.1
2004	1,139.5	1,044.5	5.4	892.4	818.0	5.7	247.6	226.9	4.4
2005	1,222.9	1,084.7	3.9	953.4	845.7	3.4	269.9	239.4	5.5
2006	1,278.4	1,096.7	1.1	1,001.1	858.8	1.6	278.0	238.5	-0.4
2007	1,324.4	1,105.4	0.8	1,044.3	871.6	1.5	280.6	234.2	-1.8
2008	1,317.4	1,076.1	-2.6	1,053.7	860.7	-1.3	264.5	216.1	-7.7

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

[2] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the Survey of Current Business. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

⁴ Based on the overall implicit price deflator for Gross Domestic Product (GDP). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*. Indices used for this article were:

Year	Index	Year	Index	Year	Index	Year	Index
1988	75.7	1994	90.3	2000	100.0	2006	116.6
1989	78.6	1995	92.1	2001	102.4	2007	119.8
1990	81.6	1996	93.9	2002	103.9	2008	122.4
1991	84.4	1997	95.4	2003	106.0		
1992	86.4	1998	96.5	2004	109.1		
1993	88.4	1999	97.9	2005	112.7		

⁵ Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which is reported on the attached Schedule C, *Profit or Loss From Business* (or, to a lesser extent, on Schedule C-EZ, *Net Profit From Business*). Salaries paid to owners are neither deducted as wages paid on Schedule C nor included as wages received on the Form 1040. Similarly, sole proprietors deduct charitable contributions made through the business as personal expenses on Schedule A, *Itemized Deductions*. However, the owner of a sole proprietorship may choose to deduct any foreign taxes paid as a business expense, unless the owner elects to claim these taxes as a credit against U.S. income tax.

⁶ Business deductions include the home office business deductions. After 1990, home office expenses were calculated separately on Form 8829, *Expenses for Business Use of Your Home*, and the deductible portion brought forward to the Schedule C. In some cases, these expenses were limited. Prior to 1990, these expenses were not limited and were included with other expenses, such as depreciation deductions, utilities, and “other” expenses on Schedule C.

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in deductions of 9.0 percent. The largest decrease in deductions was reported by the real estate and rental and leasing sector, with deductions that dropped by 13.5 percent. When accounting for inflation, total business deductions decreased 1.3 percent in 2008, marking the first decrease in 5 years.

The cost of sales and operations, which represented 41.3 percent of total 2008 business deductions, increased 2.9 percent since 2007, to approximately \$434.9 billion (Figure C). Total business "expenses" (total business deductions minus the cost

of sales and operations) were \$618.8 billion for 2008, a 0.5-percent decrease since 2007. The main components of total business expenses are highlighted in Figure D. The largest component was car and truck expenses, accounting for 13.7 percent of the total. For 2008, car and truck expenses totaled \$85.1 billion, a 3.7-percent increase from 2007. Closely following car and truck expenses, accounting for 12.8 percent of total business expenses, was salaries and wages, which decreased 0.3 percent from 2007 to \$79.1 billion. The next largest components were rent

Figure C

Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 2007 and 2008

[Money amounts are in millions of dollars]

Business deductions	2007	2008	Percentage increase
	(1)	(2)	(3)
Business deductions, total [1,2]	1,044,343.4	1,053,706.0	0.9
Cost of sales and operations, total	422,684.5	434,868.3	2.9
Inventory, beginning of year	44,469.6	46,735.3	5.1
Cost of labor	34,514.6	31,282.1	-9.4
Purchases	264,234.8	280,662.4	6.2
Materials and supplies	61,519.0	56,592.4	-8.0
Other costs	64,956.7	66,776.8	2.8
Inventory, end of year	47,010.1	47,180.6	0.4
Business expenses, total [1]	621,658.9	618,837.6	-0.5
Advertising expenses	15,731.0	14,767.2	-6.1
Car and truck expenses	82,023.8	85,054.9	3.7
Commissions	14,569.2	13,381.2	-8.2
Contract labor	36,674.4	35,388.2	-3.5
Depletion	1,021.1	1,423.8	39.4
Depreciation [3]	39,646.0	41,446.3	4.5
Employee benefit programs	2,909.5	2,897.0	-0.4
Home office business deductions [3]	11,217.6	11,504.2	2.6
Depreciation, Form 8829	1,439.1	1,476.0	2.6
Insurance	19,290.6	18,308.1	-5.1
Legal and professional services	10,934.4	11,108.8	1.6
Meals and entertainment deducted	7,661.5	7,335.9	-4.2
Mortgage interest	6,649.0	6,481.1	-2.5
Other interest paid on business indebtedness	8,368.2	8,181.0	-2.2
Office expenses	13,297.3	12,827.3	-3.5
Pension and profit-sharing plans	1,279.7	1,235.3	-3.5
Rent paid on machinery and equipment	9,526.5	9,439.0	-0.9
Rent paid on other business property	33,613.2	34,074.9	1.4
Repairs	16,170.7	15,463.7	-4.4
Salaries and wages	79,380.3	79,148.5	-0.3
Supplies	32,325.5	31,831.5	-1.5
Taxes paid	18,183.2	18,066.6	-0.6
Travel	13,134.0	12,740.9	-3.0
Utilities	24,856.2	24,674.7	-0.7
Other business deductions	119,516.1	118,421.7	-0.9

[1] Includes returns with Schedule C-EZ, *Net Profit from Business*, attached. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

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

[3] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above.

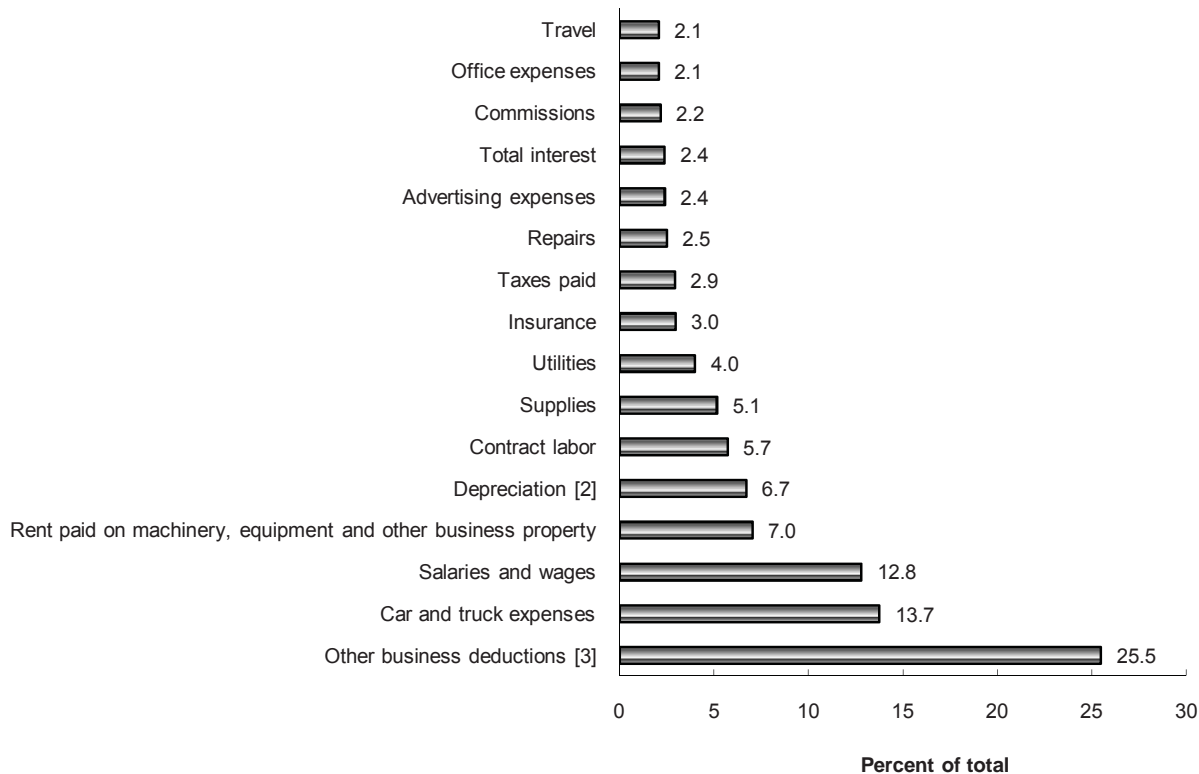
NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

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Figure D

Nonfarm Sole Proprietorship Total Business Expenses by Type of Expenses, Tax Year 2008 [1]



[1] Total business expenses equals all business deductions minus cost of sales and operations.

[2] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above. See footnote #3 below.

[3] Includes depletion; employee benefit programs; legal and professional services; pension and profit-sharing plans; meals and entertainment; home office; and other business deductions. Other business deductions also includes all Schedule C-EZ, *Net Profit from Business*, deductions (\$3.6 billion).

on business property, machinery, and equipment (7.0 percent), and depreciation (6.7 percent). For 2008, rent on business property, machinery, and equipment expenses increased 0.9 percent to \$43.5 billion, while depreciation expenses rose 4.5 percent to \$41.4 billion. Car and truck expenses showed the largest net increase in share of business expenses, 0.5 percent, up from 13.2 percent in 2007. Conversely, commissions and contract labor showed the largest net

decreases, 0.2 percent down from 2.3 percent and 5.9 percent, respectively, for 2007.

Historically, constant dollar depreciation increased every year from 1993 through 2003, with the exception of 1995, when it decreased 1.9 percent to \$28.5 billion (Figure E).⁷ In 2003, under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the maximum allowable section 179 deduction (which allows expensing of investment property

⁷ The increase in the depreciation deduction for 1993 may be attributed, in part, to a provision of the Omnibus Budget Reconciliation Act of 1993 (OBRA93). The cost of certain tangible property (as described in Internal Revenue Code section 179) may be treated as a current expense rather than a capital expenditure subject to depreciation deductions. The provision of OBRA93 (related to these expenses) increased the maximum amount of investment certain small businesses could immediately deduct on property placed in service after 1992, from \$10,000 to \$17,500. Following the enactment of this provision, the 179 deduction for all individuals (not just sole proprietors) filing Form 4562, *Depreciation and Amortization*, increased 32.4 percent to \$13.5 billion for 1993.

Figure E

Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1988 –2008

[Money amounts are in billions of dollars]

Tax year	Current dollars			Constant dollars [1]			Percentage increase in constant dollars [1]		
	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	145.5	19.2	26.1	192.2	25.4	34.5	[3]	[3]	[3]
1989	152.4	19.7	24.5	194.0	25.1	31.2	0.9	-1.1	-9.6
1990	161.7	20.2	23.7	198.2	24.8	29.0	2.2	-1.3	-6.9
1991	162.4	20.9	23.1	192.3	24.8	27.4	-3.0	[4]	-5.8
1992	173.5	19.5	23.3	200.8	22.6	27.0	4.4	-8.8	-1.4
1993	177.0	20.5	25.0	200.3	23.2	28.3	-0.3	2.8	4.9
1994	187.8	21.0	26.2	208.1	23.3	29.0	3.9	0.3	2.6
1995	191.7	22.5	26.2	208.2	24.4	28.5	[4]	4.8	-1.9
1996	200.1	23.4	27.4	213.2	24.9	29.2	2.4	2.1	2.4
1997	210.5	23.8	28.6	220.6	25.0	30.0	3.4	0.3	2.9
1998	226.2	23.9	29.1	234.5	24.8	30.2	6.3	-0.7	0.7
1999	233.4	25.5	30.6	238.5	26.0	31.3	1.7	4.9	3.7
2000	245.2	30.5	32.2	245.2	30.5	32.2	2.8	17.3	2.8
2001	250.2	32.8	33.4	244.4	32.0	32.7	-0.3	5.0	1.4
2002	257.3	36.2	36.6	247.5	34.8	35.3	1.3	8.7	8.0
2003	269.1	38.8	41.8	253.9	36.6	39.4	2.6	5.1	11.7
2004	290.5	42.9	42.9	266.3	39.3	39.3	4.9	7.5	-0.2
2005	314.8	44.8	39.1	279.2	39.8	34.7	4.9	1.1	-11.8
2006	326.8	48.7	39.0	280.3	41.8	33.5	0.4	5.1	-3.5
2007	335.1	54.5	39.6	279.7	45.5	33.1	-0.2	8.9	-1.1
2008	325.3	60.8	41.4	265.7	49.6	33.9	-5.0	9.0	2.3

[1] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the Survey of Current Business. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

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

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

in the year of the purchase instead of depreciating it over time) vaulted from \$24,000 for 2002 to \$100,000 for 2003. The change led to constant dollar depreciation increasing by 11.7 percent for 2003, which was the highest growth in depreciation of any year between 1988 and 2008. But the initial jump in depreciation was offset in subsequent years by trends of decreased depreciation. From 2004 through 2007, constant dollar declines of depreciation were witnessed for all 4 years. In 2004, constant dollar depreciation deductions decreased by 0.2 percent, marking the first drop in 9 years. This downward trend was even more evident in 2005, as constant dollar depreciation fell by 11.8 percent, followed by

decreases of 3.5 percent and 1.1 percent in 2006 and 2007, respectively. During this same 4-year period, section 179 limits gradually increased for inflation, from \$102,000 in 2004, to \$105,000 in 2005, to \$108,000 in 2006, finally rising to \$125,000 in 2007.^{8,9} In 2008, the section 179 limit was doubled to \$250,000, which contributed to a reversal in the previous downward trend in depreciation and helped to account for a 2.3-percent increase in constant dollar depreciation.

Beginning with Tax Year 1992, certain smaller businesses could elect not to itemize depreciation and other business deductions by filing the Schedule C-EZ, *Net Profit from Business*, a simplified ver-

⁸ Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 the maximum amount of section 179 deduction (the amount of depreciable property that one can expense for the cost of certain qualifying property) increased from \$24,000 for 2002 to \$100,000 for 2003, \$102,000 for 2004, \$105,000 for 2005, and \$108,000 for 2006. This was further expanded to \$125,000 for 2007 and \$250,000 for 2008 through the Tax Increase Prevention and Reconciliation Act signed in May, 2006. For all individual tax returns that filed Form 4562, *Depreciation and Amortization*, the section 179 property deducted as an expense increased by 5.1 percent to \$49.8 billion for 2008. The Jobs Creation and Worker Assistance Act of 2002 introduced 30-percent bonus depreciation and the Jobs and Growth Tax Relief Reconciliation Act of 2003 increased the bonus percentage to 50 percent, for property placed in service by January 1, 2005. While bonus depreciation was available to sole proprietors, it was generally not as advantageous as immediate expensing and therefore likely had less effect on their depreciation deductions.

⁹ The amount deducted as section 179 property on returns that had a Schedule C dropped 4.9 percent to \$20.2 billion, from 2007 to 2008. This number does not reflect depreciation solely deducted on the Schedule C, as this could also include depreciation taken on the Schedule E, *Supplemental Income and Loss*, the Schedule F, *Profit or Loss from Farming*, and the Form 4835, *Farm Rental Income and Expenses*.

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sion of Schedule C, *Profit or Loss from Business*. (Schedule C and Schedule C-EZ are the source of sole proprietorship statistics.) For Tax Year 2008, taxpayers could use Schedule C-EZ if they: had business expenses of \$5,000 or less; used the cash accounting method; had no inventories; did not report a loss from the business; had only one business as a sole proprietor; had no employees; were not required to file Form 4562, *Depreciation and Amortization*, for the business; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. Since taxpayers using Schedule C-EZ did not itemize business deductions, the detailed deductions in Table 2 are slightly understated and do not add to the totals.

Figure F presents the numbers and percentages of nonfarm sole proprietorship returns filed on Schedule C-EZ, by industrial sector. For Tax Year 2008, approximately 4.4 million taxpayers filed the Schedule C-EZ, marking a 1.0-percent decrease from the number filed for 2007. Of returns filed for 2008 in the administrative and support services sector (the

largest filers of this schedule), taxpayers filed nearly 0.7 million Schedule C-EZ returns, or 29.0 percent of the total sole proprietorship returns for that sector.¹⁰ For 2008, business receipts from Schedule C-EZ filers totaled \$31.9 billion, or 2.4 percent of total business receipts reported. Business deductions reported on Schedule C-EZ returns accounted for only 0.3 percent of total business deductions for all industries, or \$3.6 billion of the total \$1,053.7 billion. Despite having the largest concentration of Schedule C-EZ filers, deductions reported on the Schedule C-EZ by the administrative and support services sector accounted for only 1.2 percent of that sector's total business deductions.

Profits and Losses

For 2008, many of the largest principal industrial sectors reported either significantly decreased or modestly increased sole proprietorship profits (net income less deficit). Figure B presents total profits for all industries (in both current and constant dollars) since 1988, while Figure G presents profits by

Figure F

All Nonfarm Sole Proprietorship Returns and Those with Schedule C-EZ, by Selected Industrial Sectors, Tax Year 2008

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

Industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	Total	With Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All nonfarm industries	22,614.5	4,355.0	19.3	1,317,443.0	31,874.9	2.4	1,053,706.0	3,635.8	0.3
Construction	2,821.7	467.4	16.6	206,688.4	3,434.9	1.7	177,584.3	357.7	0.2
Wholesale trade (merchant wholesalers)	325.5	39.0	12.0	52,343.8	264.4	0.5	48,251.4	24.3	0.1
Retail trade	2,275.5	261.1	11.5	196,844.6	1,524.0	0.8	188,900.3	237.2	0.1
Transportation and warehousing	1,047.7	113.2	10.8	81,073.3	915.8	1.1	71,793.9	112.2	0.2
Finance and insurance	693.1	85.7	12.4	112,312.1	777.1	0.7	94,315.2	82.7	0.1
Real estate and rental and leasing	1,278.9	110.6	8.7	58,051.4	940.1	1.6	43,870.2	161.6	0.4
Professional, scientific, and technical services	3,218.9	530.7	16.5	172,025.9	5,818.2	3.4	97,826.0	542.6	0.6
Administrative and support and waste management and remediation services	2,302.8	668.4	29.0	61,449.6	4,649.5	7.6	44,496.7	514.5	1.2
Health care and social assistance	1,998.3	505.2	25.3	118,634.1	4,170.7	3.5	71,139.6	388.5	0.5
Arts, entertainment, and recreation	1,347.8	274.2	20.3	33,092.3	1,104.1	3.3	25,108.0	198.3	0.8
Other services	2,360.1	508.9	21.6	82,993.0	3,853.1	4.6	64,868.4	469.9	0.7
All other industries	2,944.3	790.5	26.8	141,934.6	4,423.1	3.1	125,551.9	546.3	0.4

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

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

¹⁰ Based on NAICS, the full name of the administrative and support services sector is administrative and support and waste management and remediation services sector. The waste management and remediation services portion make up a small percentage of the overall numbers reported under this classification, which are detailed in Table 1.

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industrial sector for 2007 and 2008.¹¹ Total profits decreased 5.7 percent from \$280.6 billion for 2007 to \$264.5 billion for 2008. The professional, scientific, and technical services sector, which had the highest percentage of total profits of all nonfarm sole proprietorships with 28.1 percent, reported the highest dollar increase in profits (\$2.7 billion). A moderately smaller sector, the health care and social assistance sector, reported the second largest dollar increase in profits for 2008 at \$1.5 billion. One of the smallest sectors, the arts, entertainment, and recreation sector, reported the largest percentage increase in profits, with 6.5 percent. Interestingly, the real estate and rental and leasing sector, which reported the largest percentage increase in profits for 2005 (19.4 percent), reported the largest decrease in profits for 2006, 2007, and 2008, with decreases of 18.5 percent, 17.7 percent, and 36.1 percent, respectively. This sharp downward trend has caused the sector to lose 57.2 percent of its profits in 2008 compared with 2005. Some of the other sectors experienced significant decreases in profit. Construction (-18.3

percent), retail trade (-15.6 percent), wholesale trade (-14.5 percent), transportation and warehousing (-14.4 percent), and finance and insurance (-10.8 percent) all had double digit decreases in profit.

In constant dollars, total profits decreased 7.7 percent for 2008, marking the largest single-year decline during the 20-year period this article covers (Figure B). For the third straight year, profits as a percentage of business receipts also decreased. Figure H shows net income less deficits as a percentage of business receipts for 1988 through 2008. In general, this percentage has increased slightly from a low of 18.8 percent for 1988. Profits as a percentage of business receipts had remained between 20.7 percent and 22.1 percent since 1992, peaking at 22.1 percent in 2005. However, in 2008, the percentage dropped out of that range, down to its current 20.1 percent. Figure E presents net income and deficit separately for 1988 through 2008, in current and constant dollars. For 2008, net income (in constant dollars) decreased 5.0 percent, and net deficit (in constant dollars) increased by 9.0 percent.

Figure G

Nonfarm Sole Proprietorship Profits, by Selected Industrial Sectors, Tax Years 2007 and 2008

[Money amounts are in billions of dollars]

Industrial sector	Net income less deficit (profits)		
	2007	2008	Percentage increase
	(1)	(2)	(3)
All nonfarm industries	280.6	264.5	-5.7
Construction	35.7	29.2	-18.3
Specialty trade contractors	27.9	23.7	-14.8
Wholesale trade (merchant wholesalers)	4.8	4.1	-14.5
Retail trade	9.5	8.0	-15.6
Transportation and warehousing	11.0	9.4	-14.4
Finance and insurance	20.2	18.0	-10.8
Real estate and rental and leasing	22.3	14.3	-36.1
Real estate	22.2	14.1	-36.2
Professional, scientific, and technical services	71.6	74.3	3.8
Administrative and support and waste management and remediation services	16.5	17.0	2.9
Health care and social assistance	46.1	47.5	3.2
Child day care services	4.6	4.9	7.9
Arts, entertainment, and recreation	7.6	8.1	6.5
Performing arts, spectator sports, and related industries	7.3	7.6	3.0
Other services	19.2	18.1	-5.8
Personal and laundry services	12.7	13.1	3.0
All other industries	16.2	16.6	2.6

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

¹¹ Net income minus deficit (loss) before Federal income tax yields profits. Proprietors compute their tax on total "taxable income," which includes their business profits plus any other income.

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Figure H

Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1988–2008

[Money amounts are in billions of dollars]

Tax year	Total business receipts			Total business deductions [1]			Net income less deficit (profits)			Net income less deficit as a percent of business receipts
	Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]		
		Amount	Percentage increase		Amount	Percentage increase		Amount	Percentage increase	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1988	672.0	887.8	0	545.7	720.9	0	126.3	166.9	0	18.8
1989	692.8	881.9	-0.7	560.2	713.1	-1.1	132.7	168.9	1.2	19.2
1990	730.6	895.5	1.5	589.2	722.1	1.3	141.4	173.3	2.6	19.4
1991	712.6	843.9	-5.8	571.2	676.4	-6.3	141.5	167.6	-3.3	19.9
1992	737.1	853.3	1.1	583.1	675.0	-0.2	154.0	178.3	6.4	20.9
1993	757.2	856.8	0.4	600.8	679.7	0.7	156.5	177.0	-0.7	20.7
1994	790.6	876.0	2.2	623.8	691.2	1.7	166.8	184.8	4.4	21.1
1995	807.4	876.6	0.1	638.1	692.8	0.2	169.3	183.8	-0.6	21.0
1996	843.2	898.5	2.5	666.5	710.1	2.5	176.8	188.3	2.5	21.0
1997	870.4	912.2	1.5	683.9	716.7	0.9	186.6	195.6	3.9	21.4
1998	918.3	951.8	4.3	716.2	742.3	3.6	202.3	209.7	7.2	22.0
1999	969.3	990.5	4.1	761.4	778.0	4.8	207.9	212.5	1.3	21.5
2000	1,021.0	1,021.0	3.1	806.4	806.4	3.6	214.7	214.7	1.1	21.0
2001	1,016.8	993.3	-2.7	799.6	781.1	-3.1	217.4	212.3	-1.1	21.4
2002	1,029.7	990.6	-0.3	808.9	778.2	-0.4	221.1	212.7	0.2	21.5
2003	1,050.2	990.8	[3]	820.2	773.8	-0.6	230.3	217.3	2.1	21.9
2004	1,139.5	1,044.5	5.4	892.4	818.0	5.7	247.6	226.9	4.4	21.7
2005	1,222.9	1,084.7	3.9	953.4	845.7	3.4	269.9	239.4	5.5	22.1
2006	1,278.4	1,096.7	1.1	1,001.1	858.8	1.6	278.0	238.5	-0.4	21.7
2007	1,324.4	1,105.4	0.8	1,044.3	871.6	1.5	280.6	234.2	-1.8	21.2
2008	1,317.4	1,076.1	-2.6	1,053.7	860.7	-1.3	264.5	216.1	-7.7	20.1

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

[2] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the *Survey of Current Business*. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

[3] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

Industries

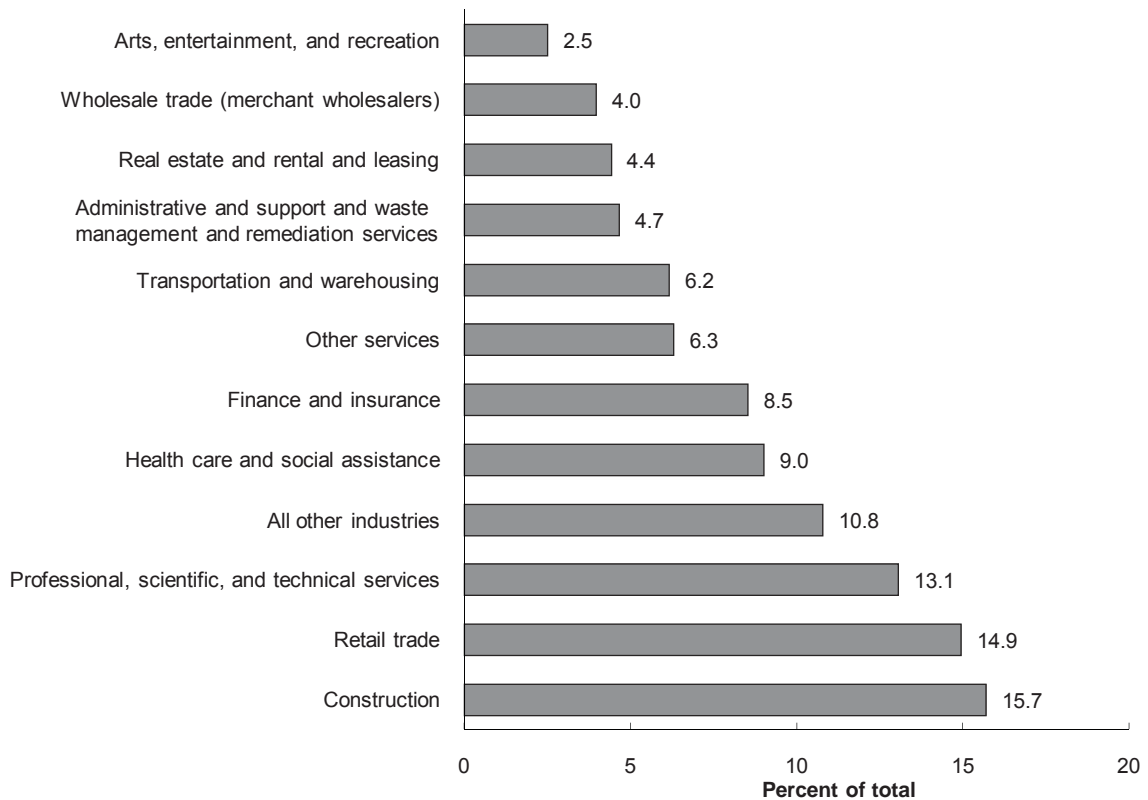
Using receipts as a measure of business size, Figures A and I show that construction was the largest sole proprietorship industrial sector for 2008, with 15.7 percent of all business receipts (the fifth year in a row that this sector was largest). Total receipts for the construction sector, at \$206.7 billion, were 10.5 percent lower than the \$230.8 billion reported for 2007, while deductions decreased by 9.0 percent, resulting in an 18.3-percent decrease in profits, from \$35.7 billion to \$29.2 billion (See Figure G). Besides construction, three other major sectors, namely real estate, retail trade, and transportation and warehousing, experienced a decline in business receipts for 2008. These declining sectors represented 41.2 percent of all nonfarm industry business receipts. The second largest industrial sector was retail trade, with receipts totaling \$196.8 billion. This amount was 14.9 percent of all sole proprietorship receipts for

2008, representing a 1.0-percent decrease since 2007. Deductions and profits also decreased in this sector, by 0.3 percent and 15.6 percent, respectively. Retail trade profits totaled \$8.0 billion for 2008.

The third largest sector was professional, scientific, and technical services, which accounted for 13.1 percent of sole proprietorship receipts for 2008. Receipts increased 1.6 percent to \$172.0 billion, and deductions remained virtually the same at \$97.8 billion. Although this sector was just the third largest sector in terms of business receipts, the professional, scientific, and technical services sector had the largest percentage of sole proprietorship profits, with 28.1 percent (see Figure J). For 2008, the professional, scientific, and technical services sector's profits went from \$71.6 billion to \$74.3 billion, a 3.8-percent increase. The sector with the second largest profits was health care and social assistance, whose profits rose to \$47.5 billion for 2008. This

Figure I

Nonfarm Sole Proprietorship Total Business Receipts, by Selected Industrial Sectors, Tax Year 2008



NOTES: Percents are based on estimated total business receipts of \$1.3 trillion. Detail may not add to 100 percent because of rounding.

marked a 3.2-percent increase from 2007 levels and represented 18.0 percent of all sole proprietorship profits. These sectors were followed by construction (11.0 percent), other services (6.9 percent), and finance and insurance (6.8 percent) in terms of overall sole proprietor profits.

Tax Year 2001 is the first year in which data became available on the number of Limited Liability Companies (LLC) among sole proprietorship returns. LLC entities have the limited liability of corporations, but may be taxed as sole proprietorships— income and expenses flow through to the owner to be taxed—if they are owned by a single, individual member. In 2001, there were approximately 126,000 sole proprietorship returns that indicated status as an LLC (Figure K). This increased by 15.3 percent for 2002, 51.3 percent for 2003, 40.4 percent for

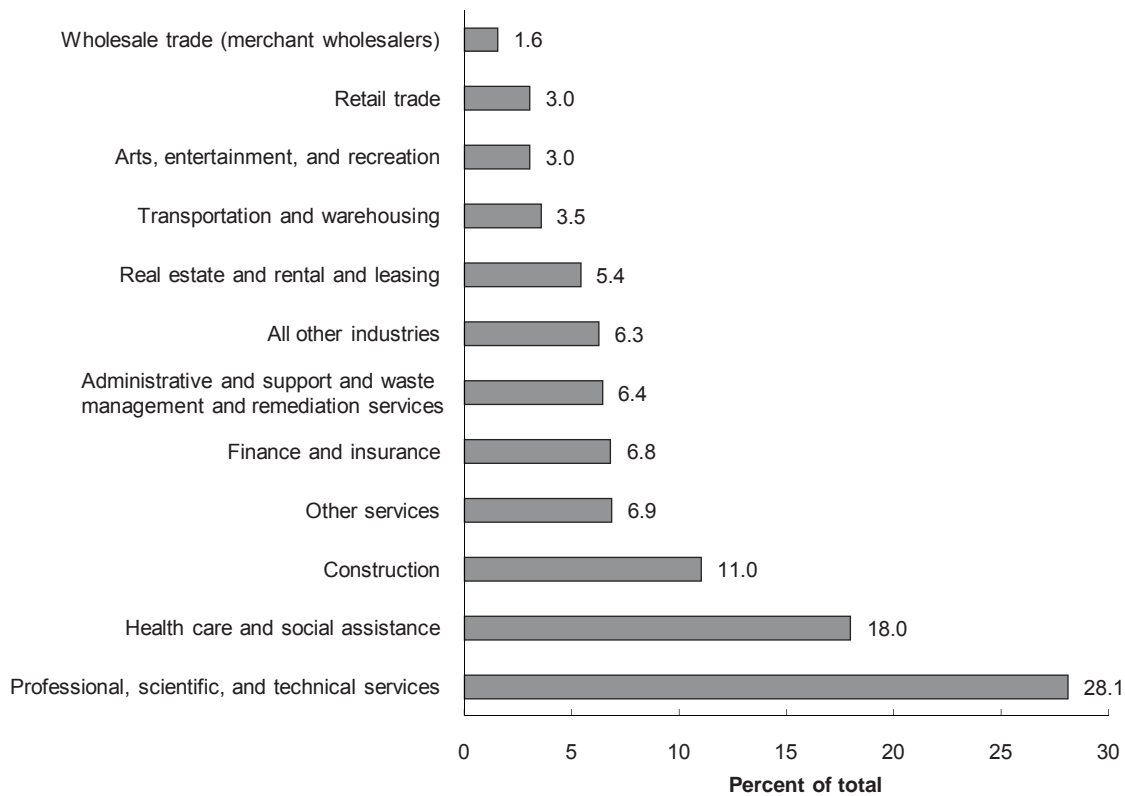
2004, 47.2 percent for 2005, 33.2 percent for 2006, 23.1 percent for 2007, and 12.8 percent for 2008. Increases in the actual number of LLCs also help to illustrate the trend during the last few years. The count of LLCs increased by approximately 146,000 for 2005, 151,000 for 2006, 140,000 for 2007, and 96,000 for 2008. This illustrates a tapering off of newly formed LLCs within sole proprietorships. For Tax Year 2008, the number of these sole proprietorships rose to approximately 843,000. This was a 12.8-percent increase since 2007, representing the smallest percentage change within the observed period. The 2008 level of LLCs among sole proprietorship returns accounts for 3.7 percent of the total nonfarm sole proprietorships, with the total number of returns with LLCs having increased nearly seven-fold since 2001.

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Figure J

Nonfarm Sole Proprietorship Total Business Profits, by Selected Industrial Sectors, Tax Year 2008



NOTES: Percentages are based on estimated total business profits of \$280.6 billion. Detail may not add to 100 percent because of rounding. Profits is a designation for "net income less deficit," shown elsewhere in this article.

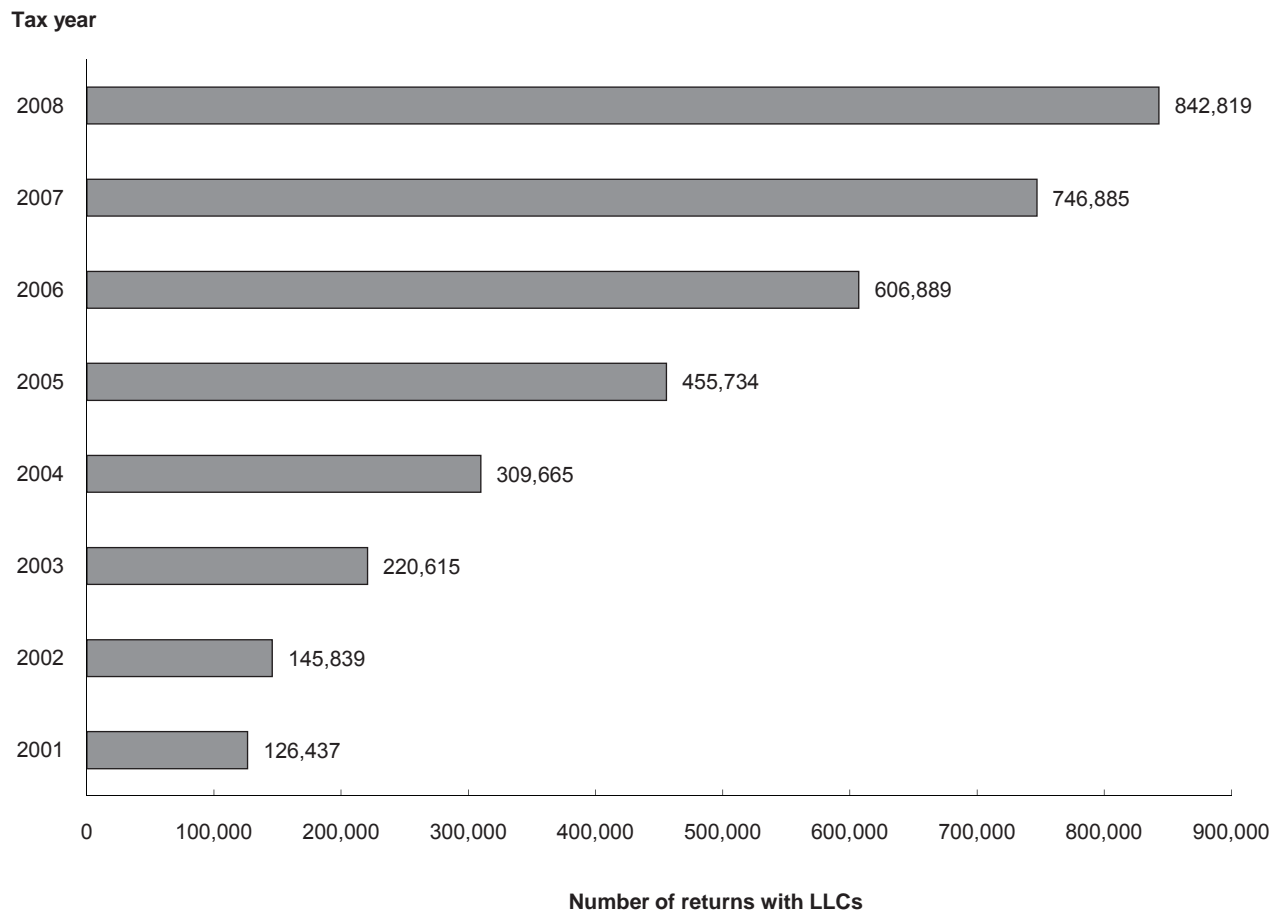
Summary

Profits for the 22.6 million returns with sole proprietorship activity for Tax Year 2008 declined by 5.7 percent to a level of \$264.5 billion. In constant dollars, total nonfarm sole proprietorship profits decreased 7.7 percent, after decreasing 0.4 percent in 2006 and 1.8 percent in 2007. This was the first time since before 1988 that sole proprietorship profits (in constant dollars) had decreased for 3 consecutive years. The professional, scientific, and technical services sector had the largest profits of any sector, at \$74.3 billion, representing 28.1 percent of total sole proprietorship profits, followed by the health care and social assistance sector, at \$47.5 billion or 18.0 percent of total profits. For all sole proprietorships, receipts decreased 0.5 percent, while deductions increased 0.9 percent. The largest sole proprietorship

industrial sector, based on business receipts, was the construction sector, accounting for 15.7 percent of receipts. This sector reported a 10.5-percent decrease in 2008. The finance and insurance sector showed the largest percentage increase in both receipts and deductions, reporting a 19.5-percent increase in receipts and a 27.8-percent increase in deductions. After increasing in 2006 and 2007, filings of Schedules C-EZ decreased 1.0 percent in 2008. The industrial sector that experienced the most significant downturn in both profits and receipts from Tax Year 2007 to 2008 was the real estate and rental and leasing sector. After having the largest percentage decline in profits in both 2006 (18.5 percent) and 2007 (17.7 percent), the real estate and rental and leasing sector continued this trend, with a 36.1-percent drop in profits for 2008. Correspondingly, this sector continued to have

Figure K

Number of Nonfarm Sole Proprietorships Registered as Limited Liability Companies (LLCs), Tax Years 2001–2008



the biggest decrease in business receipts. After declines of 6.9 percent in 2006 and 8.0 percent in 2007, the real estate sector’s reported business receipts fell another 18.2 percent in 2008.

Data Sources and Limitations

The 2008 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Form 1040 (including electronically filed returns), processed by the Internal Revenue Service during Calendar Year 2009. Returns in the sample were stratified based on: (1) the presence

or absence of Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, or Schedule C-EZ, *Net Profit From Business*, and Schedule F, *Farm Income and Expenses*; (2) the larger of positive income or negative income (i.e., “adjusted gross income” before statutory adjustments); and (3) tax year. The returns were selected at rates that ranged from 0.1 percent to 100 percent. The 2008 nonfarm sole proprietorship data are based on a sample of 91,679 returns and a population of 22,990,883 returns.¹² The corresponding sample and population for the 2007 data were 90,983 and 23,516,241, respectively.

¹² The difference between the number of returns in the population and the total number of returns in Tables 1 and 2 is mainly due to returns in which Schedule C income was moved to other income or wages to avoid double counting of taxpayers for Gross Domestic Product calculations. In addition, data from amended returns and tentative returns are not reflected in these statistics.

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

amounts for selected items and industrial sectors. Generally, the smaller the coefficient of variation, the more reliable the estimate is judged to be. The section SOI Sampling Methodology and Data Limitations, near the back of this issue, discusses the reliability of estimates based on samples and the use of coefficients of variation for evaluating the precision of estimates based on samples.

Figure L

Nonfarm Sole Proprietorships: Coefficients of Variation for Selected Items, by Selected Industrial Sectors, Tax Year 2008

[Coefficients of variation are in percentages]

Industrial sector	Coefficients of variation				
	Total business receipts	Total business deductions	Depreciation [1]	Net income	Deficit
	(1)	(2)	(3)	(4)	(5)
All nonfarm industries	0.53	0.60	1.21	0.75	1.33
Construction	1.88	1.98	3.37	2.24	4.78
Specialty trade contractors	2.23	2.37	3.94	2.53	6.21
Wholesale trade (merchant wholesalers)	4.44	4.55	9.30	6.54	10.68
Retail trade	2.04	2.03	4.01	3.45	3.69
Transportation and warehousing	2.59	2.66	3.99	3.46	6.01
Finance and insurance	1.90	1.75	7.39	3.83	5.84
Real estate and rental and leasing	2.57	2.81	4.68	3.15	4.30
Real estate	2.63	2.91	4.95	3.21	4.57
Professional, scientific, and technical services	1.69	1.96	3.55	1.96	3.99
Administrative and support and waste management and remediation services	2.88	3.34	5.44	2.85	5.84
Health care and social assistance	1.86	2.01	3.96	2.23	7.63
Child day care services	4.53	5.84	14.17	4.30	13.68
Arts, entertainment, and recreation	3.20	3.15	5.28	4.43	5.09
Performing arts, spectator sports, and related industries	3.65	3.59	6.26	4.76	5.84
Other services	2.55	2.82	4.50	2.82	5.29
Personal and laundry services	3.05	3.39	6.11	3.52	6.91
All other industries	2.10	2.16	3.19	2.83	3.32

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

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All nonfarm industries	22,614,483	1,317,443,005	42,922,336	9,439,007	34,074,935	14,662,064	110,430,600	264,508,362
Agriculture, forestry, hunting, and fishing	307,287	17,590,294	1,862,191	113,910	138,074	287,887	1,681,043	447,873
Animal production (including breeding of cats and dogs)	51,404	1,029,452	239,693	1,679	13,765	30,585	53,659	-553,558
Forestry and logging (including forest nurseries, timber tracts)	51,577	5,188,799	600,151	46,918	9,217	110,754	505,496	158,618
Fishing	64,343	2,535,299	362,461	16,867	30,964	68,078	29,059	445,556
Hunting and trapping	12,353	191,555	37,200	1,671	12,257	14,161	5,837	-22,976
Support activities for agriculture and forestry	127,610	8,645,191	622,686	46,775	71,870	64,310	1,086,992	420,233
Mining	134,372	17,653,003	1,483,030	63,119	46,165	276,884	791,986	2,912,813
Oil and gas extraction	106,666	13,944,820	1,135,814	20,263	36,463	192,308	352,554	2,090,823
Coal mining	330	354,224	23,399	3,270	* 617	3,983	45,381	-15,660
Metal ore mining	* 662	* 57,369	* 3,231	* 1,267	* 385	* 932	* 9,173	* -8,891
Nonmetallic mineral mining and quarrying	3,028	652,198	117,265	8,324	* 105	41,150	79,262	27,179
Support activities for mining	23,686	2,644,392	203,320	29,996	8,594	38,511	305,616	819,362
Utilities	12,650	321,981	24,428	* 734	* 6,044	8,006	* 30,881	30,470
Construction	2,821,745	206,688,428	6,867,419	1,342,334	1,380,449	2,053,941	24,494,085	29,153,787
Residential building construction	417,996	44,486,914	893,328	197,017	190,671	609,561	4,438,307	3,988,593
Nonresidential building construction	78,938	10,301,953	321,060	69,575	66,624	113,821	1,159,910	939,204
Heavy and civil engineering construction	61,515	8,808,104	534,186	81,422	47,951	271,090	866,551	485,373
Specialty trade contractors	2,263,296	143,091,457	5,118,844	994,320	1,075,204	1,059,470	18,029,318	23,740,617
Manufacturing	340,237	28,109,966	1,335,871	179,108	851,786	345,404	3,479,665	2,694,049
Food manufacturing	35,793	4,156,833	121,123	25,258	103,183	65,652	355,941	50,186
Textile and textile product mills	5,026	342,315	28,243	* 1,513	* 9,729	5,357	* 80,250	-13,308
Apparel	19,905	875,515	27,533	7,911	66,222	4,330	159,028	60,430
Leather and allied products	* 3,783	* 61,881	* 1,007	0	0	* 715	* 9,920	* -9,186
Wood products	32,965	2,332,029	118,918	15,203	50,554	27,647	314,923	160,722
Paper products	* 709	* 28,050	* 28	* 372	0	0	* 2,720	* -7,824
Printing and related support activities	36,181	2,566,657	129,890	11,244	129,911	38,116	279,226	312,791
Petroleum and coal products	468	* 99,206	* 1,410	0	* 64	* 308	* 1,289	5,916
Chemical manufacturing	11,569	1,081,306	54,182	12,197	14,277	11,902	104,411	-39,552
Plastics, rubber, clay, refractory, and glass products	11,868	378,462	24,680	3,386	7,402	5,247	65,624	-21,828
Nonmetallic mineral products	3,271	713,751	39,542	* 842	* 885	9,445	78,098	86,459
Primary metal industries	4,879	602,321	19,351	* 15,949	* 24,997	* 10,804	121,020	12,522
Fabricated metal products	28,335	3,734,667	206,273	10,699	99,360	49,829	541,606	397,452
Machinery	23,019	3,051,994	229,874	30,325	75,824	34,530	409,760	460,528
Computer and electronic products	13,545	413,813	13,634	* 2,551	* 5,930	* 8,217	22,928	133,222
Electrical equipment, appliances, and components	3,318	500,680	4,819	* 10,655	4,976	* 3,745	50,982	65,337
Transportation equipment	10,919	936,764	16,114	6,196	40,522	5,507	211,216	4,255
Furniture and related products	28,835	2,486,626	102,520	5,862	80,349	17,674	245,994	632,157
Medical equipment and supplies	8,302	646,131	9,809	* 7,667	19,780	3,046	46,723	101,023
Other miscellaneous manufacturing	57,548	3,100,965	186,921	11,277	117,823	43,335	378,006	302,745
Wholesale trade (merchant wholesalers)	325,522	52,343,754	766,708	138,173	721,644	343,823	2,202,700	4,118,498
Durable goods, including machinery, wood, metals, etc.	135,479	23,705,289	414,866	51,925	323,153	167,371	1,027,938	1,620,013
Nondurable goods, including food, fiber, chemicals, etc.	100,241	22,368,567	282,033	56,970	290,702	136,280	968,768	1,461,836
Wholesale electronic markets and agents and brokers	89,801	6,269,898	69,808	29,279	107,789	40,171	205,995	1,036,649

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All nonfarm industries	16,434,155	1,062,581,267	26,158,239	6,906,737	25,408,073	7,841,052	85,562,985	325,265,465
Agriculture, forestry, hunting, and fishing	169,725	12,627,490	781,411	63,578	84,012	125,851	1,233,481	2,541,190
Animal production (including breeding of cats and dogs)	9,492	601,772	59,692	* 585	5,747	* 9,006	* 29,194	114,828
Forestry and logging (including forest nurseries, timber tracts)	30,408	3,649,913	310,511	13,756	5,125	51,236	326,663	501,568
Fishing	39,803	1,950,297	134,666	* 11,479	19,085	30,710	* 10,789	775,066
Hunting and trapping	5,045	117,133	* 8,381	* [5]	* 6,690	* 4,039	* 308	35,534
Support activities for agriculture and forestry	84,977	6,308,374	268,161	37,759	47,365	30,859	866,527	1,114,194
Mining	104,824	13,896,902	911,836	36,625	28,222	97,747	523,185	4,411,402
Oil and gas extraction	80,470	11,084,680	706,226	14,644	20,734	68,486	246,308	3,358,158
Coal mining	295	86,755	* 3,534	* 687	* 319	* 199	* 1,197	12,492
Metal ore mining	0	0	0	0	0	0	0	0
Nonmetallic mineral mining and quarrying	2,447	529,721	70,310	* 3,450	* 59	18,572	61,725	97,440
Support activities for mining	21,612	2,195,745	131,766	17,844	7,110	10,490	213,954	943,313
Utilities	8,895	208,130	* 969	* 714	* 307	* 168	* 11,695	61,210
Construction	2,304,865	172,740,182	5,041,603	983,196	1,071,357	1,207,324	19,710,838	35,436,753
Residential building construction	332,398	33,758,359	661,129	139,708	151,414	273,328	3,487,070	5,598,779
Nonresidential building construction	67,760	8,452,764	219,649	45,670	59,950	64,360	937,910	1,272,691
Heavy and civil engineering construction	45,525	5,788,181	359,072	47,615	32,697	97,796	540,103	1,200,161
Specialty trade contractors	1,859,182	124,740,879	3,801,752	750,202	827,296	771,841	14,745,755	27,365,122
Manufacturing	208,296	22,108,550	737,903	120,550	534,201	167,301	2,412,042	4,295,424
Food manufacturing	20,469	2,926,311	44,160	22,147	43,290	18,745	212,125	291,498
Textile and textile product mills	1,886	179,979	* 10,141	* 157	* 128	* 228	* 11,087	33,604
Apparel	10,701	669,070	11,723	* 3,999	49,316	* 2,558	139,184	120,580
Leather and allied products	* 2,697	* 22,869	* 185	0	0	0	0	* 16,942
Wood products	20,818	1,914,912	54,642	* 13,940	41,295	14,761	234,720	276,806
Paper products	* 8	* 2,121	0	0	0	0	0	* 2,020
Printing and related support activities	21,510	1,968,698	76,178	6,936	68,005	31,536	191,266	437,018
Petroleum and coal products	* 444	* 99,056	* 708	0	* 64	* 308	* 1,289	* 7,200
Chemical manufacturing	4,688	878,102	3,525	* 1,998	* 6,289	* 4,147	* 49,766	82,500
Plastics, rubber, clay, refractory, and glass products	4,772	182,931	* 2,610	* 272	* 2,016	* 1,437	* 14,019	15,526
Nonmetallic mineral products	2,218	650,077	* 21,233	* 819	* 431	* 8,073	* 64,351	118,070
Primary metal industries	2,930	528,845	* 12,946	* 14,604	* 22,701	* 2,518	* 89,050	71,316
Fabricated metal products	19,947	3,015,826	131,577	6,299	73,318	22,985	401,468	546,663
Machinery	17,369	2,590,381	129,872	14,368	48,652	19,095	333,139	586,768
Computer and electronic products	7,337	300,139	* 1,485	0	* 3,528	0	* 11,700	161,886
Electrical equipment, appliances, and components	3,260	438,282	1,979	* 9,479	* 3,414	* 1,304	* 37,239	88,050
Transportation equipment	5,763	606,916	* 3,502	* 2,335	* 16,698	* 1,349	* 112,891	110,832
Furniture and related products	22,732	2,165,417	94,972	5,642	57,301	12,001	163,089	674,436
Medical equipment and supplies	6,714	479,075	8,767	* 7,658	17,138	1,570	33,987	127,327
Other miscellaneous manufacturing	32,034	2,489,543	127,697	9,896	80,617	24,685	311,671	526,381
Wholesale trade (merchant wholesalers)	205,647	42,913,616	490,536	96,910	518,098	182,125	1,644,407	5,572,750
Durable goods, including machinery, wood, metals, etc.	86,599	19,761,789	263,931	26,444	220,299	88,082	738,698	2,276,297
Nondurable goods, including food, fiber, chemicals, etc.	62,503	17,868,712	190,174	48,698	212,766	62,408	786,557	1,994,639
Wholesale electronic markets and agents and brokers	56,546	5,283,115	36,431	21,769	85,033	31,635	119,152	1,301,815

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Retail trade	2,275,476	196,844,560	3,001,898	705,954	6,150,702	1,962,780	10,220,579	8,012,708
Motor vehicle and parts dealers	141,986	39,539,674	351,469	50,516	607,096	493,617	1,568,934	733,028
Furniture and home furnishing stores	45,128	4,331,050	75,833	29,017	312,776	62,930	360,642	355,250
Electronic and appliance stores	32,022	4,836,187	67,813	47,314	135,706	51,639	557,173	346,146
Building material and garden equipment and supplies dealers	43,178	8,367,667	199,981	26,769	111,089	99,615	736,629	714,661
Food and beverage stores	90,978	28,514,563	337,307	114,481	892,191	208,080	1,800,089	929,414
Health and personal care stores	133,393	8,894,781	136,599	80,091	277,760	67,289	554,241	651,259
Gasoline stations	21,790	28,899,287	254,933	28,366	323,622	204,574	788,983	101,208
Clothing and accessories stores	127,848	11,609,824	173,536	39,458	1,068,134	101,965	798,174	453,277
Sporting goods, hobby, book, and music stores	103,392	7,467,029	148,992	19,665	416,806	88,338	406,818	123,558
General merchandise stores	23,544	2,841,834	65,227	19,904	127,339	47,132	123,905	72,660
Miscellaneous store retailers	529,027	30,631,191	632,071	189,037	1,535,793	344,815	1,921,777	1,875,498
Nonstore retailers	983,191	20,911,475	558,139	61,336	342,389	192,787	603,214	1,656,747
Transportation and warehousing	1,047,716	81,073,306	5,568,883	2,309,439	583,160	1,063,150	4,440,942	9,383,446
Air and rail transportation	11,156	1,519,288	420,833	12,983	20,215	87,252	78,553	-291,560
Water transportation	6,787	870,779	112,945	4,055	14,499	30,109	86,319	139,639
General freight trucking, local	212,461	20,208,531	1,466,960	479,195	128,661	241,388	1,750,935	2,218,991
General freight trucking, long distance and specialized freight trucking	** 363,583	** 40,483,021	** 2,809,631	** 1,029,793	** 153,874	** 507,653	** 1,456,374	** 4,054,522
Urban transit	**	**	**	**	**	**	**	**
Interurban and rural bus transportation	* 944	* 33,682	* 2,653	* [5]	0	* 2,551	* 57	* 3,614
Taxi and limousine service	167,974	5,641,078	151,595	660,280	133,785	76,263	132,209	1,523,255
School, employee, and charter bus industry	13,701	741,861	62,275	* 443	* 1,884	25,549	81,979	149,546
Other transit and ground passenger transportation	23,920	718,765	23,629	* 9,765	* 6,374	* 1,924	55,069	260,082
Pipeline transportation	* 658	* 45,911	* 25,551	0	0	* 1,428	* 217	* -14,599
Scenic and sightseeing transportation	12,292	508,958	103,026	* 6,028	14,300	22,063	126,084	-83,664
Support activities for transportation (including motor vehicle towing)	51,560	4,279,539	250,649	52,467	60,023	41,283	315,120	416,012
Couriers and messengers	175,337	5,508,211	97,629	50,311	25,478	13,868	314,656	973,505
Warehousing and storage facilities	7,344	513,683	41,506	4,118	24,068	11,819	43,371	34,105
Information	365,625	11,704,393	520,210	99,339	301,886	93,886	856,692	3,123,461
Publishing industries (except internet)	75,386	1,931,754	35,077	5,103	29,046	24,923	285,398	336,897
Motion picture and sound recording	103,469	3,011,507	278,021	22,971	128,075	22,067	155,603	548,598
Broadcasting (except internet) and telecommunications	51,983	2,647,023	64,572	31,415	71,852	29,426	177,033	455,183
Internet publishing and broadcasting	4,151	177,244	13,479	* 141	* 7,159	* 686	* 11,541	7,401
Internet service providers, web search portals, and data processing	130,635	3,936,865	129,062	39,709	65,754	16,784	227,117	1,775,383
Finance and insurance	693,065	112,312,139	1,052,148	316,196	1,455,536	768,631	4,658,421	18,004,035
Credit intermediation and related activities	72,956	3,166,910	88,809	50,017	83,217	105,044	174,355	229,170
Securities, commodity contracts, and other financial investments	178,338	77,172,761	395,016	81,081	420,106	360,528	1,555,061	5,984,021
Investment bankers and securities dealers	5,122	4,789,463	5,203	3,329	19,894	23,359	46,573	320,069
Securities brokers	17,163	5,357,286	27,275	11,870	32,725	13,360	118,438	967,341
Commodity contracts brokers and dealers	4,959	3,024,548	9,666	1,069	28,466	7,391	43,649	129,923
Securities and commodity exchanges	355	1,677,363	11,500	* 25	* 978	6,149	* 16,610	-15,302
Other financial investment activities (investment advice)	150,738	62,324,101	341,373	64,788	338,042	310,268	1,329,791	4,581,990
Insurance agents, brokers, and related activities	441,771	31,972,467	568,324	185,098	952,214	303,059	2,929,006	11,790,845
Insurance agencies and brokerages	338,253	27,676,834	468,597	171,829	868,924	259,184	2,791,382	9,989,961
Other insurance related activities	103,518	4,295,633	99,726	13,269	83,289	43,876	137,624	1,800,883

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Retail trade	1,178,928	149,566,389	1,615,862	469,491	4,046,202	1,024,960	7,124,244	16,853,669
Motor vehicle and parts dealers	95,809	27,100,408	190,039	36,184	366,565	230,751	832,286	1,800,047
Furniture and home furnishing stores	31,080	3,078,483	54,700	22,306	177,343	38,437	252,180	536,726
Electronic and appliance stores	21,707	4,090,173	52,195	35,323	99,883	47,611	451,157	467,415
Building material and garden equipment and supplies dealers	29,288	7,011,290	149,357	21,617	82,616	67,530	544,966	861,849
Food and beverage stores	63,642	23,297,348	198,745	86,362	659,644	127,391	1,383,117	1,491,564
Health and personal care stores	57,826	7,794,683	85,204	58,129	215,539	39,438	477,737	1,160,162
Gasoline stations	13,306	19,879,724	123,671	14,018	215,937	116,951	495,067	397,810
Clothing and accessories stores	70,613	9,894,062	116,195	21,875	790,456	55,035	632,658	1,104,690
Sporting goods, hobby, book, and music stores	42,403	5,433,941	59,440	7,460	227,149	32,984	267,667	696,952
General merchandise stores	10,980	2,360,036	26,635	19,595	81,783	29,035	98,506	211,428
Miscellaneous store retailers	285,724	23,472,085	302,210	106,218	933,511	166,524	1,300,281	3,927,931
Nonstore retailers	456,550	16,154,154	257,471	40,404	195,775	73,273	388,621	4,197,095
Transportation and warehousing	826,797	65,340,649	3,355,340	1,928,250	434,202	619,469	3,083,319	12,541,505
Air and rail transportation	6,888	969,925	42,380	6,096	3,985	9,093	19,986	234,880
Water transportation	5,288	589,647	23,322	* 149	* 12,316	3,858	* 41,702	223,745
General freight trucking, local	166,520	16,159,729	888,610	424,934	90,734	143,204	1,319,279	2,912,265
General freight trucking, long distance and specialized freight trucking	** 286,447	** 32,912,494	** 1,998,233	** 807,660	** 115,315	** 320,713	** 910,633	** 5,005,243
Urban transit	**	**	**	**	**	**	**	**
Interurban and rural bus transportation	* 300	* 13,875	* 208	* [5]	* 0	* 2,551	* 57	* 4,761
Taxi and limousine service	149,479	5,126,887	121,060	599,629	125,758	74,001	* 68,771	1,659,025
School, employee, and charter bus industry	10,676	563,351	32,974	* 201	* 1,423	15,975	63,718	157,329
Other transit and ground passenger transportation	** 17,057	** 560,067	** 11,686	** 7,557	** 5,749	** 1,442	** 39,348	** 289,890
Pipeline transportation	**	**	**	**	**	**	**	**
Scenic and sightseeing transportation	5,078	248,484	* 2,772	0	* 3,773	* 1,732	* 101,435	47,547
Support activities for transportation (including motor vehicle towing)	36,864	3,138,557	165,579	40,816	34,360	27,765	187,067	584,806
Couriers and messengers	137,396	4,615,802	56,035	39,838	23,027	9,857	299,898	1,297,384
Warehousing and storage facilities	4,804	441,830	12,480	1,369	17,762	9,278	31,424	124,630
Information	243,183	9,800,479	275,632	66,909	212,664	37,706	632,016	4,278,001
Publishing industries (except internet)	52,053	1,515,671	16,947	2,280	15,387	14,030	202,197	568,310
Motion picture and sound recording	59,213	2,504,126	112,407	14,700	84,882	4,058	109,887	1,043,912
Broadcasting (except internet) and telecommunications	34,138	2,035,326	37,239	14,757	55,868	9,436	117,852	603,072
Internet publishing and broadcasting	2,152	120,795	* 6,158	* 141	* 6,594	* 91	* 9,501	31,199
Internet service providers, web search portals, and data processing	95,626	3,624,561	102,880	35,031	49,932	10,091	192,579	2,031,507
Finance and insurance	468,187	58,566,141	677,795	249,174	1,240,624	378,748	3,895,765	21,547,741
Credit intermediation and related activities	40,555	2,464,387	39,027	9,730	31,905	46,495	96,694	767,713
Securities, commodity contracts, and other financial investments	104,564	27,205,432	186,564	66,995	335,108	98,375	1,143,991	8,059,177
Investment bankers and securities dealers	3,226	1,501,529	3,709	* 1,075	14,101	2,341	25,976	472,384
Securities brokers	11,205	2,138,677	23,216	11,807	30,140	10,389	106,822	1,067,526
Commodity contracts brokers and dealers	3,291	2,981,175	6,607	* 442	17,627	1,899	15,421	255,422
Securities and commodity exchanges	32	517,187	* 8,636	* 25	* 296	* 967	* 8,161	19,924
Other financial investment activities (investment advice)	86,810	20,066,864	144,396	53,647	272,944	82,779	987,612	6,243,921
Insurance agents, brokers, and related activities	323,068	28,896,322	452,204	172,448	873,611	233,878	2,655,080	12,720,851
Insurance agencies and brokerages	250,486	25,129,756	373,837	161,064	804,035	214,881	2,535,376	10,761,594
Other insurance related activities	72,582	3,766,566	78,367	11,384	69,576	18,998	119,704	1,959,257

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Real estate and rental and leasing	1,278,868	58,051,397	3,072,063	507,601	1,275,456	1,877,702	2,253,440	14,272,167
Real estate	1,217,101	52,854,366	1,736,336	414,685	1,076,041	1,644,849	1,748,128	14,131,187
Lessors of real estate (including miniwarehouses and self storage)	38,603	1,899,159	310,094	19,849	33,896	431,944	96,006	-131,636
Offices of real estate agents, brokers, property managers, and appraisers	933,828	39,199,345	1,015,725	336,714	750,333	642,822	1,028,679	13,330,418
Other activities related to real estate	244,670	11,755,862	410,517	58,122	291,812	570,084	623,443	932,405
Rental and leasing services	61,767	5,197,031	1,335,727	92,917	199,415	232,853	505,312	140,980
Automotive equipment rental and leasing	15,480	783,258	220,476	11,803	17,115	35,564	52,315	487
Consumer electronics and appliances rental	* 1,313	* 22,035	0	0	0	0	0	* 17,663
Formal wear and costume rental	* 120	* 62,724	* 6,538	0	* 8,222	* 394	* 9,943	* 6,129
Video tape and disc rental	4,838	535,595	14,154	* 1,540	53,913	* 5,621	83,718	36,055
General rental centers and other consumer goods rental	22,082	1,709,253	194,985	18,244	64,576	34,512	171,316	217,513
Commercial and industrial machinery and equipment rental and leasing	17,935	2,084,166	899,573	61,330	55,588	156,762	188,020	-136,866
Professional, scientific, and technical services	3,218,914	172,025,851	4,388,918	1,015,291	3,998,108	1,282,716	13,545,172	74,301,434
Legal services	378,111	41,048,470	539,608	243,263	1,697,704	285,018	4,600,343	18,404,926
Offices of certified public accountants	45,107	4,591,731	116,611	26,443	178,217	52,672	773,446	1,960,640
Other accounting services	312,490	8,564,857	297,301	71,599	275,978	137,020	971,073	3,389,912
Architectural, engineering, and related services	255,667	15,040,113	462,183	125,265	275,297	77,854	1,817,547	5,187,363
Architectural services	99,590	6,863,719	203,488	74,298	133,778	34,295	1,016,653	1,764,504
Engineering services	95,894	5,508,512	175,504	39,555	91,798	28,723	553,202	2,205,786
Drafting, building inspections, and geophysical surveying	42,017	1,617,661	33,858	* 1,830	19,088	5,928	94,038	907,259
Surveying and mapping (except geophysical) services	14,353	678,569	38,460	* 9,520	21,914	* 3,729	110,946	229,460
Testing laboratories	3,812	371,653	10,872	* 63	8,718	* 5,180	* 42,707	80,354
Specialized design services	250,692	8,897,310	270,733	56,465	174,746	63,843	451,847	2,176,040
Computer systems design services	240,391	9,992,920	273,599	59,262	161,548	75,362	683,301	4,024,778
Other professional, scientific, and technical services	1,736,456	83,890,449	2,428,884	432,993	1,234,619	590,948	4,247,615	39,157,776
Management, scientific, and technical consulting services	950,327	47,388,860	1,082,875	232,025	556,595	288,049	1,523,043	26,632,700
Scientific research and development services	32,799	1,179,505	44,206	2,392	23,896	12,319	106,201	461,188
Advertising and related services	120,600	7,650,421	179,969	31,775	94,710	86,449	317,102	1,936,608
Market research and public opinion polling	29,687	979,162	10,320	* 14,343	10,861	* 9,267	70,237	410,210
Other miscellaneous services	603,043	26,692,501	1,111,514	152,458	548,557	194,864	2,231,032	9,717,070
Administrative and support and waste management and remediation services	2,302,805	61,449,597	2,634,207	415,531	824,253	480,379	6,737,037	16,957,186
Administrative and support services	2,277,252	59,416,628	2,402,664	392,714	806,043	440,250	6,502,640	16,792,128
Waste management and remediation services	25,554	2,032,969	231,543	22,818	18,209	40,129	234,397	165,058
Educational services	620,222	9,697,644	298,229	60,162	538,731	84,688	504,421	3,031,251

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Real estate and rental and leasing	776,962	46,885,202	1,357,965	356,043	852,352	649,857	1,346,859	20,132,759
Real estate	745,158	43,082,600	923,688	293,256	723,191	557,381	971,475	19,296,407
Lessors of real estate (including miniwarehouses and self storage)	16,366	1,063,194	130,729	12,496	10,552	131,132	27,893	314,198
Offices of real estate agents, brokers, property managers, and appraisers	595,833	34,435,160	626,095	256,619	567,998	287,352	688,850	16,010,274
Other activities related to real estate	132,959	7,584,247	166,864	24,141	144,641	138,897	254,731	2,971,936
Rental and leasing services	31,804	3,802,601	434,277	62,786	129,161	92,476	375,384	836,352
Automotive equipment rental and leasing	9,577	501,922	96,174	* 5,865	* 298	15,969	* 29,097	76,854
Consumer electronics and appliances rental	* 1,313	* 22,035	0	0	0	0	0	* 17,663
Formal wear and costume rental	* 79	* 61,725	* 6,166	0	* 7,249	* 394	* 9,943	* 7,477
Video tape and disc rental	2,325	420,238	* 9,356	* 1,540	* 41,947	* 1,492	* 64,219	61,065
General rental centers and other consumer goods rental	10,621	1,517,459	89,608	* 14,437	43,513	21,658	148,017	364,933
Commercial and industrial machinery and equipment rental and leasing	7,890	1,279,221	232,973	40,944	36,153	52,963	124,107	308,361
Professional, scientific, and technical services	2,381,482	158,908,361	3,150,550	762,485	3,279,390	864,916	11,519,460	80,645,299
Legal services	302,390	39,527,283	474,589	215,822	1,573,548	245,028	4,256,881	19,039,652
Offices of certified public accountants	35,730	4,456,821	98,424	25,715	153,908	49,111	745,836	2,006,263
Other accounting services	253,952	8,097,016	243,790	54,088	228,150	101,535	908,566	3,721,592
Architectural, engineering, and related services	194,522	13,609,539	351,739	70,617	210,257	54,337	1,472,398	5,673,583
Architectural services	71,265	5,868,175	141,844	29,473	103,136	22,664	770,889	2,009,016
Engineering services	76,339	5,191,342	138,336	29,732	67,844	17,681	461,836	2,378,400
Drafting, building inspections, and geophysical surveying	32,091	1,530,041	26,918	* 1,830	19,088	5,517	86,020	949,800
Surveying and mapping (except geophysical) services	12,552	660,178	35,301	* 9,520	* 14,193	* 3,729	110,946	250,233
Testing laboratories	2,275	359,804	* 9,341	* 62	* 5,996	* 4,747	* 42,707	86,134
Specialized design services	171,345	7,640,817	156,593	24,261	99,622	28,527	370,619	2,675,052
Computer systems design services	178,237	9,287,681	189,016	46,343	129,129	35,195	573,335	4,488,596
Other professional, scientific, and technical services	1,245,306	76,289,203	1,636,400	325,639	884,775	351,183	3,191,825	43,040,561
Management, scientific, and technical consulting services	680,319	43,593,208	745,813	160,814	364,110	123,042	1,071,180	28,759,033
Scientific research and development services	23,233	1,006,501	33,276	* 2,192	13,535	* 868	56,068	601,569
Advertising and related services	90,630	6,977,588	140,797	25,659	88,272	80,293	219,567	2,203,234
Market research and public opinion polling	18,612	946,689	5,522	* 14,211	10,448	* 6,189	68,084	457,006
Other miscellaneous services	432,511	23,765,218	710,993	122,763	408,410	140,791	1,776,926	11,019,719
Administrative and support and waste management and remediation services	1,834,717	53,790,774	1,727,779	275,198	594,383	311,977	5,310,774	20,352,614
Administrative and support services	1,814,685	52,159,878	1,566,905	260,514	579,350	285,844	5,160,175	20,072,775
Waste management and remediation services	20,032	1,630,896	160,874	14,684	15,033	26,133	150,599	279,839
Educational services	490,245	7,276,547	136,239	37,297	350,363	25,456	265,983	3,800,109

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Health care and social assistance	1,998,278	118,634,052	3,035,635	551,649	5,158,149	1,240,154	17,209,350	47,539,320
Ambulatory health care services	990,181	97,029,582	2,339,402	463,933	4,494,934	844,758	14,635,290	40,488,113
Offices of physicians (except mental health specialists)	183,723	33,527,006	603,886	171,398	1,281,486	187,411	4,198,881	16,483,353
Offices of physicians, mental health specialists	27,713	2,571,012	56,142	25,542	136,806	16,256	152,335	1,418,970
Offices of dentists	85,583	29,628,238	917,252	92,432	1,205,410	390,510	6,640,932	10,071,816
Offices of chiropractors	35,894	4,670,025	139,067	44,454	406,620	62,465	606,422	1,709,094
Offices of optometrists	17,566	3,308,192	117,316	18,068	232,412	31,529	560,963	836,782
Offices of mental health practitioners and social therapists	185,643	9,222,844	174,944	29,242	622,391	47,587	671,919	4,712,889
Offices of podiatrists	8,216	1,614,761	44,270	6,835	199,555	16,879	234,877	549,256
health practitioners	158,690	5,473,489	135,302	40,043	241,679	46,138	360,214	2,331,371
Medical and diagnostic laboratories	31,927	1,405,247	49,867	7,129	68,238	11,787	284,786	411,343
Home health care services	227,282	4,514,655	76,712	24,320	74,180	26,679	749,689	1,729,329
Other ambulatory health care services (including ambulance services, blood and organ banks)	27,944	1,094,113	24,644	4,469	26,156	7,517	174,272	233,911
Hospitals	10,803	565,203	8,056	* 784	* 10,115	* 1,717	* 65,198	347,079
Nursing and residential care facilities	61,028	4,635,311	156,891	38,515	247,332	242,833	1,163,012	347,555
Social assistance	147,898	3,187,864	77,222	4,382	154,132	15,659	234,433	1,410,784
Child day care services	788,368	13,216,093	454,064	44,035	251,635	135,188	1,111,417	4,945,788
Arts, entertainment, and recreation	1,347,779	33,092,332	1,920,727	219,389	1,140,219	382,020	1,707,991	8,057,508
Performing arts, spectator sports, and related industries	1,094,030	24,608,291	1,376,261	152,909	521,893	179,918	877,064	7,560,686
Museums, historical sites, and similar institutions	2,988	56,425	901	* 97	* 8,118	* 392	* 4,692	15,929
Amusement, gambling, and recreation industries	250,761	8,427,616	543,564	66,383	610,209	201,709	826,235	480,892
Accommodation, food services, and drinking places	434,168	47,870,153	2,087,498	427,589	3,398,744	1,068,023	8,346,380	649,056
Accommodation	54,627	6,002,638	762,610	27,434	241,975	484,168	926,034	-106,584
Travel accommodation (including hotels, motels, and bed and breakfast inns)	30,796	4,635,708	619,581	24,939	125,858	408,268	763,628	-62,093
RV (recreational vehicle) parks and recreational camps	11,157	849,367	84,862	370	87,730	39,971	81,680	-6,285
Rooming and boarding houses	12,673	517,563	58,168	2,125	* 28,387	35,930	80,726	-38,206
Food services and drinking places	379,541	41,867,514	1,324,888	400,155	3,156,769	583,855	7,420,346	755,640
Other services	2,360,060	82,993,026	2,778,315	877,432	5,968,711	968,644	7,062,906	18,135,387
Auto repair and maintenance	351,027	23,975,616	992,097	226,304	934,504	435,952	2,599,805	2,235,510
Automotive mechanical and electrical repair and maintenance	176,570	12,095,924	516,359	66,854	441,268	216,993	1,200,172	1,067,921
Automotive body shops	85,132	7,046,601	214,190	81,222	310,886	117,615	886,774	818,614
Other auto repair and maintenance (including oil change, lubrication and car washes)	89,325	4,833,090	261,547	78,228	182,350	101,344	512,859	348,975
Miscellaneous repairs	411,150	16,068,515	514,519	95,024	397,899	132,994	1,267,710	2,771,294
Personal and laundry services	1,597,882	42,948,895	1,271,699	556,104	4,636,308	399,699	3,195,390	13,128,583
Religious, grantmaking, civic, professional and similar organizations	245,487	3,243,046	51,767	9,017	25,816	* 9,353	* 25,912	1,682,136
Unclassified establishments	484,209	5,744,085	172,191	87,040	111,301	63,992	180,997	2,001,777

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2008—Continued

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

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Health care and social assistance	1,655,574	110,275,817	2,395,473	439,759	4,493,294	908,280	15,389,857	49,855,675
Ambulatory health care services	811,894	92,064,135	1,940,083	395,035	4,009,387	710,666	13,561,504	41,846,050
Offices of physicians (except mental health specialists)	153,658	32,124,499	525,453	154,931	1,204,200	168,851	3,952,588	16,770,471
Offices of physicians, mental health specialists	24,199	2,497,861	50,348	23,525	134,519	15,971	146,218	1,436,878
Offices of dentists	74,801	28,711,069	809,029	69,230	1,127,368	341,025	6,441,551	10,223,917
Offices of chiropractors	31,671	4,486,293	107,049	43,400	369,117	60,154	591,538	1,748,283
Offices of optometrists	14,998	3,051,562	86,000	15,776	205,915	24,002	512,117	887,699
Offices of mental health practitioners and social therapists	146,024	8,722,252	146,344	25,863	545,825	26,155	552,415	4,849,572
Offices of podiatrists	6,547	1,526,364	36,812	5,060	136,952	16,879	221,391	584,136
health practitioners	126,539	5,051,200	91,768	29,638	179,748	31,464	291,112	2,597,497
Medical and diagnostic laboratories	26,246	1,206,377	24,906	5,284	53,333	5,370	240,594	451,393
Home health care services	187,757	3,829,796	47,858	18,201	35,900	13,819	468,054	2,012,025
Other ambulatory health care services (including ambulance services, blood and organ banks)	19,454	856,862	14,516	* 4,127	16,511	6,976	143,926	284,178
Hospitals	10,372	558,948	7,013	* 784	* 10,106	* 1,717	* 64,597	349,246
Nursing and residential care facilities	42,208	3,155,366	84,224	13,880	159,871	108,812	708,860	630,327
Social assistance	111,604	2,988,411	60,436	2,590	135,149	12,075	223,296	1,569,040
Child day care services	679,496	11,508,956	303,716	27,471	178,781	75,010	831,601	5,461,012
Arts, entertainment, and recreation	840,486	25,748,112	742,307	105,258	563,849	89,512	702,841	12,551,749
Performing arts, spectator sports, and related industries	667,004	20,485,270	612,819	81,760	304,495	60,588	418,482	10,997,067
Museums, historical sites, and similar institutions	* 1,028	* 50,327	* 276	* 72	* 6,772	* 13	* 949	* 28,552
Amusement, gambling, and recreation industries	172,454	5,212,516	129,212	23,426	252,581	28,911	283,409	1,526,130
Accommodation, food services, and drinking places	270,338	32,951,914	846,781	260,709	2,216,026	462,052	5,070,156	3,944,725
Accommodation	25,815	3,640,560	281,469	13,510	190,420	181,199	410,302	686,142
Travel accommodation (including hotels, motels, and bed and breakfast inns)	15,774	2,734,418	224,711	13,018	82,769	166,042	298,479	534,678
RV (recreational vehicle) parks and recreational camps	5,950	571,095	37,779	* 244	* 80,382	11,681	69,461	75,531
Rooming and boarding houses	4,090	335,047	18,980	* 248	* 27,269	* 3,475	* 42,362	75,934
Food services and drinking places	244,523	29,311,354	565,312	247,199	2,025,606	280,853	4,659,855	3,258,583
Other services	1,875,687	71,197,612	1,816,699	623,827	4,826,981	652,549	5,553,274	21,745,190
Auto repair and maintenance	251,094	19,359,248	625,607	157,995	684,940	294,689	2,009,910	3,175,658
Automotive mechanical and electrical repair and maintenance	130,924	9,854,183	339,554	47,494	346,052	178,890	958,175	1,507,387
Automotive body shops	59,269	5,902,853	158,525	71,316	201,578	67,740	700,010	1,017,755
Other auto repair and maintenance (including oil change, lubrication and car washes)	60,901	3,602,213	127,529	39,186	137,310	48,058	351,725	650,516
Miscellaneous repairs	309,113	13,857,046	328,035	75,108	245,801	100,342	1,030,303	3,531,687
Personal and laundry services	1,315,480	37,981,318	863,056	390,724	3,896,241	257,518	2,513,061	15,037,845
Religious, grantmaking, civic, professional and similar organizations	199,382	3,084,125	33,562	* 4,221	24,610	* 647	* 25,908	1,921,225
Unclassified establishments	389,936	4,694,275	62,000	26,543	36,936	34,407	106,879	2,776,475

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

**Data combined to prevent disclosure of taxpayer information.

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

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

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

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

[5] Less than \$500.

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

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008

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

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting, and fishing					
		Total	Animal production (including breeding of cats and dogs)	Forestry and logging (including forest nurseries, timber tracts)	Fishing	Hunting and trapping	Support activities for agriculture and forestry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	22,614,483	307,287	51,404	51,577	64,343	12,353	127,610
Business receipts, total [1]	1,317,443,005	17,590,294	1,029,452	5,188,799	2,535,299	191,555	8,645,191
Income from sales and operations [1]	1,295,786,783	17,190,842	962,700	5,120,218	2,425,967	185,895	8,496,061
Other business income	21,656,221	399,452	66,752	68,581	109,331	5,659	149,129
Business deductions, total [1,2]	1,053,705,955	17,170,571	1,594,845	5,036,388	2,090,180	214,629	8,234,529
Cost of sales and operations, total	434,868,323	5,370,685	235,514	1,400,383	337,822	15,671	3,381,294
Inventory, beginning of year	46,735,278	531,963	90,113	149,266	* 18,084	* 10,608	263,893
Cost of labor	31,282,105	295,276	* 32,131	136,281	* 6,744	* 77	120,044
Purchases	280,662,351	4,062,041	108,044	985,914	202,509	* 4,272	2,761,301
Materials and supplies	56,592,372	388,302	28,317	39,667	23,963	* 784	295,571
Other costs	66,776,845	667,834	58,182	247,048	103,816	* 5,048	253,740
Inventory, end of year	47,180,627	574,732	81,272	157,793	* 17,293	* 5,119	313,255
Advertising expenses	14,767,208	118,037	19,504	7,847	14,817	2,444	73,425
Car and truck expenses	85,054,914	1,060,209	112,097	338,121	166,492	13,685	429,813
Commissions	13,381,218	131,292	9,840	26,304	19,312	* 72	75,763
Contract labor	35,388,217	684,326	22,455	309,567	56,893	1,534	293,877
Depletion	1,423,771	1,029	* 2	* 679	0	* 6	* 343
Depreciation	41,446,328	1,850,012	233,173	598,895	360,528	37,200	620,217
Employee benefit programs	2,897,005	13,123	1,740	4,241	* 92	* 51	6,998
Insurance	18,308,063	400,081	27,111	182,346	42,443	4,486	143,695
Legal and professional services	11,108,794	159,265	72,053	19,548	19,821	2,113	45,731
Meals and entertainment deducted	7,335,934	60,995	6,099	9,213	24,552	2,534	18,598
Mortgage interest	6,481,051	99,578	17,628	32,131	29,265	* 5,031	15,523
Other interest paid on business indebtedness	8,181,013	188,309	12,957	78,623	38,813	9,130	48,786
Office expenses	12,827,294	53,737	6,789	8,737	12,346	2,927	22,938
Pension and profit-sharing plans	1,235,347	2,274	* 59	971	* 5	0	1,239
Rent paid on machinery and equipment	9,439,007	113,910	1,679	46,918	16,867	1,671	46,775
Rent paid on other business property	34,074,935	138,074	13,765	9,217	30,964	12,257	71,870
Repairs	15,463,698	717,848	25,787	336,917	119,569	10,903	224,672
Supplies	31,831,493	498,944	58,820	79,823	147,387	19,275	193,639
Salaries and wages	79,148,496	1,385,767	21,528	369,215	22,315	5,759	966,949
Taxes paid	18,066,560	279,383	14,633	69,133	34,172	7,956	153,489
Travel	12,740,944	175,262	27,148	21,303	32,261	993	93,557
Utilities	24,674,687	196,898	24,288	44,210	40,309	5,553	82,537
Other business deductions	118,421,657	3,360,239	606,195	1,029,495	503,357	51,985	1,169,206
Home office business deductions, total	11,504,196	74,041	21,937	5,145	15,578	* 520	30,861
Depreciation, Form 8829 [3]	1,476,008	12,179	6,520	1,256	* 1,933	0	2,469
Casualty loss, Form 8829 [3]	69,203	* 804	0	* 804	0	0	0
Excess—casualty depreciations, Form 8829 [3]	1,334,666	20,682	* 14,529	* 2,084	* 1,301	0	* 2,768
Net income less deficit [1,2]	264,508,362	447,873	-553,558	158,618	445,556	-22,976	420,233
Net income [1,2]	325,265,465	2,541,190	114,828	501,568	775,066	35,534	1,114,194
Deficit [2]	-60,757,103	-2,093,316	-668,386	-342,950	-329,510	-58,510	-693,960

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting, and fishing					
		Total	Animal production (including breeding of cats and dogs)	Forestry and logging (including forest nurseries, timber tracts)	Fishing	Hunting and trapping	Support activities for agriculture and forestry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
BUSINESSES WITH NET INCOME							
Number of returns [1]	16,434,155	169,725	9,492	30,408	39,803	5,045	84,977
Business receipts, total [1]	1,062,581,267	12,627,490	601,772	3,649,913	1,950,297	117,133	6,308,374
Income from sales and operations [1]	1,045,907,267	12,385,393	560,996	3,631,497	1,859,732	115,903	6,217,265
Other business income	16,673,999	242,096	40,777	18,416	90,565	* 1,229	91,108
Business deductions, total [1,2]	737,385,341	10,087,230	486,944	3,148,353	1,176,154	81,599	5,194,180
Cost of sales and operations, total	297,184,637	3,681,560	171,551	1,024,035	231,235	* 1,614	2,253,125
Inventory, beginning of year	24,378,387	172,174	* 41,723	57,936	* 756	* 26	71,733
Cost of labor	24,860,379	240,652	* 27,655	107,440	* 5,827	* 66	99,664
Purchases	188,921,767	2,835,911	* 95,464	754,926	* 200,352	* 682	1,784,487
Materials and supplies	44,233,788	336,830	* 23,964	14,276	* 18,631	* 773	279,186
Other costs	39,792,756	262,432	* 24,473	131,204	* 5,669	* 227	100,859
Inventory, end of year	25,002,440	166,439	* 41,728	41,746	0	* 160	82,804
Advertising expenses	10,462,439	46,632	2,922	5,342	* 10,459	* 1,973	25,936
Car and truck expenses	62,065,820	627,690	27,168	239,940	80,333	* 2,385	277,864
Commissions	9,899,617	108,956	* 1,432	* 23,422	* 13,013	0	71,089
Contract labor	27,966,856	376,794	* 371	185,398	* 38,561	* 111	152,353
Depletion	1,123,008	* 116	* 2	* 34	0	* 5	* 75
Depreciation	25,163,377	778,668	59,536	310,048	133,386	* 8,381	267,317
Employee benefit programs	2,254,853	8,013	* 10	3,339	* 26	0	4,637
Insurance	13,910,543	245,773	11,125	113,518	19,474	* 1,571	100,084
Legal and professional services	7,650,851	87,966	45,624	5,303	9,906	* 746	26,386
Meals and entertainment deducted	5,614,460	37,923	4,732	4,699	15,602	* 1,282	11,608
Mortgage interest	3,243,966	39,901	* 6,526	12,515	13,324	0	7,535
Other interest paid on business indebtedness	4,597,086	85,950	* 2,479	38,721	17,386	* 4,039	23,325
Office expenses	9,755,105	34,133	3,294	5,338	10,581	* 232	14,688
Pension and profit-sharing plans	1,091,753	1,501	* 1	* 830	0	0	* 670
Rent paid on machinery and equipment	6,906,737	63,578	* 585	13,756	* 11,479	* [4]	37,759
Rent paid on other business property	25,408,073	84,012	5,747	5,125	19,085	* 6,690	47,365
Repairs	10,643,860	380,837	* 2,975	187,945	60,031	* 4,534	125,352
Supplies	23,515,885	272,194	13,578	38,410	69,656	* 3,098	147,453
Salaries and wages	60,702,606	992,829	* 1,539	219,223	* 4,962	* 242	766,863
Taxes paid	13,187,204	180,065	3,105	37,197	19,991	* 4,602	115,171
Travel	9,244,605	71,732	5,316	13,822	18,278	* 373	33,942
Utilities	17,447,183	112,180	6,455	28,563	22,096	* 2,318	52,747
Other business deductions	76,250,540	1,697,821	107,967	623,481	341,432	36,201	588,739
Home office business deductions, total	8,537,108	37,606	* 860	4,160	* 11,704	* 329	20,553
Depreciation, Form 8829 [3]	994,862	2,743	* 156	* 463	* 1,280	0	844
Casualty loss, Form 8829 [3]	25,661	* 597	0	* 597	0	0	0
Excess—casualty depreciations, Form 8829 [3]	117,764	* 498	0	0	* 486	0	* 12
Net income [1,2]	325,265,465	2,541,190	114,828	501,568	775,066	35,534	1,114,194
Returns with Schedule C-EZ:							
Number of returns	4,354,979	34,176	* 700	3,283	6,005	* 903	23,284
Business receipts	31,874,908	195,397	* 2,539	21,149	28,030	* 4,718	138,961
Business deductions	3,635,804	37,254	* 2,045	* 7,405	* 4,198	* 872	22,733
Net income	28,239,105	158,144	* 494	* 13,744	* 23,831	* 3,846	116,228

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Mining						Utilities
	Total	Oil and gas extraction	Coal mining	Metal ore mining	Nonmetallic mineral mining and quarrying	Support activities for mining	Total
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	134,372	106,666	330	* 662	3,028	23,686	12,650
Business receipts, total [1]	17,653,003	13,944,820	354,224	* 57,369	652,198	2,644,392	321,981
Income from sales and operations [1]	16,987,113	13,329,803	349,729	* 57,334	648,204	2,602,043	316,927
Other business income	665,891	615,017	* 4,495	* 35	3,994	42,349	* 5,054
Business deductions, total [1,2]	14,749,829	11,862,861	369,884	* 66,260	625,019	1,825,805	292,086
Cost of sales and operations, total	3,249,483	2,386,330	* 217,016	* 49,280	229,428	367,430	111,812
Inventory, beginning of year	151,123	109,398	* 3,485	* 6,873	* 28,108	* 3,259	* 12,752
Cost of labor	140,580	28,340	* 28,905	* 5,549	34,575	43,210	* 1,744
Purchases	1,003,447	592,377	* 104,969	* 49,426	63,032	193,644	* 106,129
Materials and supplies	277,893	208,489	* 18,776	* 3,207	10,051	37,371	* 1,757
Other costs	1,873,966	1,573,470	* 64,337	0	141,876	94,284	* 2,144
Inventory, end of year	197,527	125,743	* 3,457	* 15,775	48,214	* 4,338	* 12,713
Advertising expenses	36,491	25,505	* 105	* 2	5,399	5,480	* 2,546
Car and truck expenses	383,597	177,668	* 1,717	* 1,108	2,629	200,474	19,630
Commissions	50,961	41,094	* 2,812	0	* 41	7,013	* 17
Contract labor	218,753	160,592	* 12,640	* 297	* 6,662	38,563	* 17,757
Depletion	1,314,777	1,281,721	* 8,190	* 2	13,199	11,664	* 828
Depreciation	1,481,030	1,135,259	23,399	* 3,231	117,263	201,878	24,285
Employee benefit programs	19,935	10,307	* 1,047	* 4	* 3,276	5,301	* 4,514
Insurance	166,735	72,741	3,101	* 177	8,190	82,526	3,143
Legal and professional services	148,411	119,869	1,989	* 228	3,754	22,571	4,623
Meals and entertainment deducted	33,373	19,884	68	* 4	179	13,237	1,637
Mortgage interest	39,897	19,984	* 161	0	* 17,400	2,353	* 292
Other interest paid on business indebtedness	236,987	172,325	3,822	* 932	23,750	36,158	7,714
Office expenses	50,290	35,374	507	* 10	2,090	12,308	2,102
Pension and profit-sharing plans	8,900	5,888	* 62	0	0	* 2,950	* 14
Rent paid on machinery and equipment	63,119	20,263	3,270	* 1,267	8,324	29,996	* 734
Rent paid on other business property	46,165	36,463	* 617	* 385	* 105	8,594	* 6,044
Repairs	227,549	145,541	3,777	* 44	15,973	62,214	5,362
Supplies	164,099	100,754	1,248	* 324	2,824	58,948	884
Salaries and wages	651,406	324,214	16,476	* 3,624	44,687	262,406	* 29,138
Taxes paid	487,756	416,290	5,254	* 658	10,415	55,139	2,958
Travel	88,009	48,479	* 267	* 73	725	38,464	3,581
Utilities	108,438	60,417	989	* 335	11,875	34,823	6,773
Other business deductions	5,431,583	5,017,761	61,330	* 4,278	96,771	251,443	30,532
Home office business deductions, total	19,952	11,550	0	0	* 58	8,345	* 836
Depreciation, Form 8829 [3]	2,000	555	0	0	* 2	* 1,442	* 143
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	651	484	0	0	0	* 168	* 1,181
Net income less deficit [1,2]	2,912,813	2,090,823	-15,660	* -8,891	27,179	819,362	30,470
Net income [1,2]	4,411,402	3,358,158	12,492	0	97,440	943,313	61,210
Deficit [2]	-1,498,589	-1,267,335	-28,152	* -8,891	-70,261	-123,951	-30,740

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Mining						Utilities
	Total	Oil and gas extraction	Coal mining	Metal ore mining	Nonmetallic mineral mining and quarrying	Support activities for mining	Total
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
BUSINESSES WITH NET INCOME							
Number of returns [1]	104,824	80,470	295	0	2,447	21,612	8,895
Business receipts, total [1]	13,896,902	11,084,680	86,755	0	529,721	2,195,745	208,130
Income from sales and operations [1]	13,333,346	10,556,900	85,281	0	527,116	2,164,048	209,075
Other business income	563,556	527,780	* 1,474	0	* 2,605	31,697	* -945
Business deductions, total [1,2]	9,490,969	7,731,992	74,263	0	432,282	1,252,432	146,920
Cost of sales and operations, total	2,056,151	1,675,330	* 3,839	0	182,670	194,311	* 95,749
Inventory, beginning of year	80,135	57,324	0	0	* 19,700	* 3,111	0
Cost of labor	88,959	26,378	0	0	* 30,784	* 31,797	* 1,744
Purchases	703,862	540,523	* 3,839	0	57,709	101,791	* 90,289
Materials and supplies	234,988	196,121	0	0	* 5,785	33,083	* 1,725
Other costs	1,039,085	918,878	0	0	* 91,792	28,414	* 1,991
Inventory, end of year	90,879	63,894	0	0	* 23,100	* 3,885	0
Advertising expenses	33,479	23,481	* 6	0	* 5,195	4,797	* 35
Car and truck expenses	336,069	143,732	* 1,444	0	* 2,543	188,350	* 2,901
Commissions	29,510	23,232	* 130	0	* 1	6,147	* 10
Contract labor	179,217	132,275	* 12,491	0	* 2,865	31,586	* 17,748
Depletion	1,038,515	1,018,229	* 3,772	0	6,135	10,379	* 739
Depreciation	910,113	705,780	* 3,534	0	70,307	130,491	* 964
Employee benefit programs	13,954	6,828	* 11	0	* 3,066	4,049	* 341
Insurance	131,348	56,854	* 380	0	4,768	69,347	* 999
Legal and professional services	79,914	68,689	* 363	0	847	10,015	* 2,288
Meals and entertainment deducted	28,029	16,662	* 3	0	* 104	11,260	* 100
Mortgage interest	18,922	8,584	0	0	* 8,574	* 1,763	* 51
Other interest paid on business indebtedness	78,826	59,902	* 199	0	* 9,998	8,727	* 118
Office expenses	37,208	25,939	* 270	0	1,540	9,459	* 130
Pension and profit-sharing plans	7,138	4,285	* 8	0	0	* 2,846	* 14
Rent paid on machinery and equipment	36,625	14,644	* 687	0	* 3,450	17,844	* 714
Rent paid on other business property	28,222	20,734	* 319	0	* 59	7,110	* 307
Repairs	180,782	115,384	* 812	0	10,143	54,444	* 972
Supplies	133,995	84,489	* 770	0	* 1,707	47,029	* 113
Salaries and wages	434,226	219,930	* 1,197	0	* 30,941	182,158	* 9,951
Taxes paid	355,330	314,545	* 1,489	0	6,869	32,427	* 1,771
Travel	60,798	33,792	* 60	0	* 155	26,791	* 1,524
Utilities	89,181	50,534	* 51	0	9,633	28,962	* 442
Other business deductions	3,152,536	2,880,511	* 42,411	0	70,655	158,959	* 4,579
Home office business deductions, total	18,815	11,103	0	0	* 58	7,654	* 29
Depreciation, Form 8829 [3]	1,723	446	0	0	* 2	* 1,275	* 4
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 91	* 91	0	0	0	0	0
Net income [1,2]	4,411,402	3,358,158	12,492	0	97,440	943,313	61,210
Returns with Schedule C-EZ:							
Number of returns	19,350	15,259	* 32	0	* 292	* 3,766	* 5,489
Business receipts	195,713	76,276	* 220	0	* 35,171	* 84,047	* 25,396
Business deductions	22,132	16,587	* 19	0	0	* 5,527	* 4,331
Net income	173,581	59,689	* 201	0	* 35,171	* 78,520	* 21,065

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Construction					Manufacturing	
	Total	Residential building construction	Nonresidential building construction	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	2,821,745	417,996	78,938	61,515	2,263,296	340,237	35,793
Business receipts, total [1]	206,688,428	44,486,914	10,301,953	8,808,104	143,091,457	28,109,966	4,156,833
Income from sales and operations [1]	204,893,933	44,141,490	10,154,086	8,550,045	142,048,312	27,858,338	4,082,228
Other business income	1,794,496	345,424	147,867	258,059	1,043,144	251,627	74,604
Business deductions, total [1,2]	177,584,331	40,526,287	9,369,712	8,325,669	119,362,662	25,443,814	4,108,784
Cost of sales and operations, total	88,638,224	25,554,909	5,842,181	4,565,576	52,675,559	13,524,573	2,576,576
Inventory, beginning of year	8,747,651	5,191,942	246,974	1,704,778	1,603,958	1,770,942	418,183
Cost of labor	15,291,341	3,182,474	779,494	453,048	10,876,325	1,378,684	72,001
Purchases	25,808,246	7,124,590	1,274,570	2,085,121	15,323,965	8,322,231	1,990,421
Materials and supplies	29,769,186	7,406,669	1,625,190	820,995	19,916,332	2,116,057	235,369
Other costs	17,325,444	7,311,809	2,191,303	1,363,519	6,458,813	1,722,394	326,188
Inventory, end of year	8,303,644	4,662,576	275,349	1,861,885	1,503,834	1,785,735	465,587
Advertising expenses	1,191,850	162,283	48,132	63,914	917,521	294,799	71,632
Car and truck expenses	15,556,031	2,212,262	521,074	319,218	12,503,477	1,056,203	112,810
Commissions	684,047	281,923	12,831	28,016	361,278	130,305	17,456
Contract labor	12,780,317	2,598,479	456,972	308,468	9,416,399	372,652	17,572
Depletion	29,974	* 254	0	* 3,637	26,082	186	* 62
Depreciation	6,729,355	869,629	314,894	531,102	5,013,730	1,313,764	119,905
Employee benefit programs	314,650	25,708	14,040	22,835	252,067	100,274	10,459
Insurance	3,967,086	580,088	176,351	158,791	3,051,856	357,113	33,008
Legal and professional services	1,130,200	242,376	58,588	109,767	719,469	182,618	29,563
Meals and entertainment deducted	640,697	83,305	34,274	29,932	493,187	61,925	6,419
Mortgage interest	853,592	310,346	42,814	128,083	372,349	125,880	26,228
Other interest paid on business indebtedness	1,200,349	299,215	71,007	143,007	687,121	219,524	39,425
Office expenses	1,066,803	161,595	54,121	42,658	808,429	230,040	21,068
Pension and profit-sharing plans	44,896	7,687	2,564	4,824	29,820	18,556	1,239
Rent paid on machinery and equipment	1,342,334	197,017	69,575	81,422	994,320	179,108	25,258
Rent paid on other business property	1,380,449	190,671	66,624	47,951	1,075,204	851,786	103,183
Repairs	2,118,446	246,811	72,468	169,627	1,629,539	344,189	67,635
Supplies	8,065,637	1,375,896	228,295	169,950	6,291,496	808,771	106,298
Salaries and wages	9,202,744	1,255,832	380,416	413,503	7,152,993	2,100,981	283,940
Taxes paid	2,091,781	348,609	93,156	123,498	1,526,518	455,053	71,816
Travel	874,035	84,677	70,179	59,446	659,733	176,162	24,962
Utilities	2,454,458	397,831	73,002	80,582	1,903,043	627,410	92,097
Other business deductions	13,518,065	2,733,892	629,818	693,181	9,461,174	1,734,215	238,136
Home office business deductions, total	1,350,582	245,530	30,096	23,723	1,051,233	133,102	* 2,632
Depreciation, Form 8829 [3]	138,064	23,699	6,166	3,085	105,114	22,107	* 1,218
Casualty loss, Form 8829 [3]	10,104	* 156	0	0	9,948	* 1,770	* 130
Excess—casualty depreciations, Form 8829 [3]	86,260	3,789	* 8,488	* 1,774	72,209	18,488	* 1,472
Net income less deficit [1,2]	29,153,787	3,988,593	939,204	485,373	23,740,617	2,694,049	50,186
Net income [1,2]	35,436,753	5,598,779	1,272,691	1,200,161	27,365,122	4,295,424	291,498
Deficit [2]	-6,282,965	-1,610,186	-333,487	-714,789	-3,624,504	-1,601,375	-241,312

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Construction					Manufacturing	
	Total	Residential building construction	Nonresidential building construction	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
BUSINESSES WITH NET INCOME							
Number of returns [1]	2,304,865	332,398	67,760	45,525	1,859,182	208,296	20,469
Business receipts, total [1]	172,740,182	33,758,359	8,452,764	5,788,181	124,740,879	22,108,550	2,926,311
Income from sales and operations [1]	171,309,443	33,533,250	8,322,408	5,618,485	123,835,300	21,929,531	2,887,484
Other business income	1,430,739	225,109	130,355	169,696	905,578	179,019	38,827
Business deductions, total [1,2]	137,309,040	28,165,248	7,180,073	4,587,466	97,376,253	17,814,931	2,634,812
Cost of sales and operations, total	67,705,684	17,190,527	4,391,256	2,286,028	43,837,873	10,159,548	1,872,942
Inventory, beginning of year	3,470,720	1,911,278	137,926	552,666	868,850	1,117,805	212,802
Cost of labor	12,622,244	2,570,037	615,875	306,704	9,129,628	960,717	30,144
Purchases	18,864,892	4,405,536	857,585	656,230	12,945,541	6,180,475	1,538,716
Materials and supplies	24,115,257	5,574,352	1,229,842	589,897	16,721,166	1,635,710	124,913
Other costs	11,983,714	4,392,112	1,703,749	809,113	5,078,740	1,265,713	194,279
Inventory, end of year	3,351,143	1,662,787	153,721	628,582	906,052	1,000,873	227,912
Advertising expenses	912,428	110,609	41,852	51,382	708,584	163,196	20,091
Car and truck expenses	12,555,778	1,745,235	443,244	241,058	10,126,241	665,098	58,285
Commissions	486,324	170,221	7,241	14,717	294,144	93,153	9,272
Contract labor	10,871,386	2,110,080	399,338	197,096	8,164,873	246,560	11,718
Depletion	29,755	* 64	0	* 3,625	26,067	* 71	0
Depreciation	4,935,849	640,154	213,542	357,054	3,725,099	727,356	44,160
Employee benefit programs	230,025	15,448	11,089	6,596	196,892	68,916	7,999
Insurance	3,133,598	443,030	127,135	115,960	2,447,472	258,906	17,565
Legal and professional services	784,145	176,985	36,731	48,707	521,722	95,121	13,378
Meals and entertainment deducted	517,919	67,172	31,939	23,517	395,290	41,007	3,193
Mortgage interest	422,181	106,482	22,814	25,453	267,431	49,026	7,977
Other interest paid on business indebtedness	785,144	166,845	41,546	72,343	504,410	118,275	10,769
Office expenses	821,189	114,061	42,543	31,024	633,561	144,426	11,318
Pension and profit-sharing plans	39,817	6,753	2,473	4,708	25,883	13,746	1,121
Rent paid on machinery and equipment	983,196	139,708	45,670	47,615	750,202	120,550	22,147
Rent paid on other business property	1,071,357	151,414	59,950	32,697	827,296	534,201	43,290
Repairs	1,529,793	149,035	56,528	113,254	1,210,976	232,151	35,225
Supplies	6,647,762	1,100,725	199,420	133,943	5,213,674	547,152	58,959
Salaries and wages	7,088,594	917,033	322,035	233,399	5,616,127	1,451,325	181,981
Taxes paid	1,589,495	248,581	71,606	66,036	1,203,271	334,966	54,421
Travel	676,101	59,427	60,509	43,233	512,932	105,176	7,829
Utilities	1,924,938	304,195	61,135	53,112	1,506,496	401,017	39,564
Other business deductions	10,100,933	1,756,616	455,683	364,079	7,524,556	1,116,884	91,709
Home office business deductions, total	1,111,082	215,384	28,554	17,870	849,275	82,480	* 492
Depreciation, Form 8829 [3]	105,754	20,975	6,107	2,019	76,654	10,547	0
Casualty loss, Form 8829 [3]	* 7,345	* 156	0	0	* 7,189	* 797	* 130
Excess—casualty depreciations, Form 8829 [3]	15,917	* 300	* 8,373	* 114	7,130	* 64	* 64
Net income [1,2]	35,436,753	5,598,779	1,272,691	1,200,161	27,365,122	4,295,424	291,498
Returns with Schedule C-EZ:							
Number of returns	467,419	60,599	9,723	4,904	392,194	47,428	8,689
Business receipts	3,434,948	484,207	102,686	42,869	2,805,186	299,395	66,556
Business deductions	357,727	59,462	* 6,239	* 2,961	289,065	44,622	* 9,407
Net income	3,077,221	424,745	96,446	39,908	2,516,121	254,773	57,149

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Manufacturing—continued						
	Textile and textile product mills	Apparel	Leather and allied products	Wood products	Paper products	Printing and related support activities	Petroleum and coal products
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	5,026	19,905	* 3,783	32,965	* 709	36,181	468
Business receipts, total [1]	342,315	875,515	* 61,881	2,332,029	* 28,050	2,566,657	* 99,206
Income from sales and operations [1]	341,071	872,644	* 54,054	2,314,915	* 25,849	2,549,730	* 98,660
Other business income	* 1,244	* 2,871	* 7,827	17,114	* 2,201	16,928	* 546
Business deductions, total [1,2]	355,623	815,316	* 71,067	2,173,480	* 35,873	2,255,655	93,290
Cost of sales and operations, total	216,386	347,348	* 42,482	1,183,084	* 10,291	1,050,860	* 85,584
Inventory, beginning of year	* 9,708	67,720	* 38,924	140,145	0	32,799	* 7
Cost of labor	* 72,808	* 70,133	* 6,134	116,568	0	70,779	* 435
Purchases	* 70,669	208,164	* 23,427	644,242	* 10,291	603,608	* 79,026
Materials and supplies	* 46,072	38,603	* 11,404	336,004	0	181,640	0
Other costs	* 26,371	43,146	* 597	94,646	0	191,382	* 6,803
Inventory, end of year	* 9,242	80,420	* 38,005	148,521	0	29,347	* 687
Advertising expenses	* 5,048	7,683	* 2,051	14,770	* 2,257	41,270	* 101
Car and truck expenses	9,961	31,341	* 8,721	76,016	* 2,527	116,691	* 65
Commissions	* 86	* 3,900	* 539	14,923	0	12,346	* 861
Contract labor	* 289	18,454	0	14,628	* 3,434	32,324	* 60
Depletion	0	0	0	* 26	0	0	* 26
Depreciation	27,512	24,311	* 1,007	115,993	* 28	128,373	* 1,410
Employee benefit programs	* 700	* 1,165	0	6,449	0	6,502	* 3
Insurance	8,384	11,906	* 477	30,834	* 318	32,450	* 499
Legal and professional services	1,516	7,710	* 378	14,091	* 2	11,511	* 66
Meals and entertainment deducted	336	1,876	* 1,870	1,174	* 156	6,266	* 58
Mortgage interest	* 898	* 38	* 6	13,202	0	* 14,512	* 55
Other interest paid on business indebtedness	* 4,459	4,292	* 710	14,445	0	23,604	* 253
Office expenses	1,662	10,336	* 683	11,272	* 164	43,701	* 63
Pension and profit-sharing plans	* 78	* 48	0	* 1,079	0	* 724	* 16
Rent paid on machinery and equipment	* 1,513	7,911	0	15,203	* 372	11,244	0
Rent paid on other business property	* 9,729	66,222	0	50,554	0	129,911	* 64
Repairs	4,215	8,022	* 859	66,079	* 5	26,887	* 144
Supplies	6,658	34,009	* 1,068	60,754	* 947	60,954	* 16
Salaries and wages	* 7,442	88,895	* 3,786	198,355	* 2,720	208,448	* 854
Taxes paid	10,455	15,696	* 131	38,956	* 36	38,816	* 103
Travel	* 841	3,454	* 1,401	8,563	* 888	15,272	* 238
Utilities	10,718	25,798	* 1,613	54,397	* 182	82,164	* 65
Other business deductions	21,495	74,259	* 3,161	150,323	* 11,548	149,322	* 2,637
Home office business deductions, total	* 2,775	16,017	* 125	16,378	0	10,874	0
Depreciation, Form 8829 [3]	* 731	* 3,222	0	* 2,925	0	* 1,517	0
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 27	0
Excess—casualty depreciations, Form 8829 [3]	* 4 [4]	* 3,804	0	* 1,687	0	* 1,401	0
Net income less deficit [1,2]	-13,308	60,430	* -9,186	160,722	* -7,824	312,791	5,916
Net income [1,2]	33,604	120,580	* 16,942	276,806	* 2,020	437,018	* 7,200
Deficit [2]	-46,912	-60,150	* -26,128	-116,084	* -9,844	-124,227	* -1,284

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Manufacturing—continued						
	Textile and textile product mills	Apparel	Leather and allied products	Wood products	Paper products	Printing and related support activities	Petroleum and coal products
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
BUSINESSES WITH NET INCOME							
Number of returns [1]	1,886	10,701	* 2,697	20,818	* 8	21,510	* 444
Business receipts, total [1]	179,979	669,070	* 22,869	1,914,912	* 2,121	1,968,698	* 99,056
Income from sales and operations [1]	* 179,404	667,226	* 15,903	1,900,793	* 2,121	1,953,271	* 98,509
Other business income	* 574	* 1,844	* 6,966	14,120	0	15,427	* 546
Business deductions, total [1,2]	* 146,374	548,490	* 5,927	1,638,107	* 101	1,531,680	* 91,856
Cost of sales and operations, total	* 96,521	204,700	* 2,023	931,614	0	743,796	* 85,578
Inventory, beginning of year	* 9,007	* 34,191	0	94,178	0	21,729	* 7
Cost of labor	* 5,870	* 62,855	0	* 87,832	0	* 30,211	* 435
Purchases	* 66,192	* 102,390	0	476,980	0	419,191	* 79,020
Materials and supplies	* 8,561	* 11,715	* 2,023	296,831	0	* 115,182	0
Other costs	* 15,386	* 33,499	0	55,067	0	177,298	* 6,803
Inventory, end of year	* 8,495	* 39,951	0	79,274	0	19,815	* 687
Advertising expenses	* 5,008	2,493	0	11,867	* [4]	27,065	* 101
Car and truck expenses	* 3,808	21,988	* 2,200	53,831	0	65,950	* 46
Commissions	* 40	* 657	0	* 13,401	0	* 6,750	* 861
Contract labor	* 38	* 17,247	0	12,497	0	18,072	* 60
Depletion	0	0	0	0	0	0	* 6
Depreciation	* 9,411	10,092	* 185	53,212	0	75,386	* 708
Employee benefit programs	* 678	* 113	0	* 2,759	0	* 2,321	* 3
Insurance	* 469	10,535	0	22,674	0	26,459	* 480
Legal and professional services	* 670	3,863	0	9,418	0	9,102	* 50
Meals and entertainment deducted	* 98	598	0	* 484	* 5	5,403	* 58
Mortgage interest	* 62	* 8	0	* 5,549	0	* 10,989	* 55
Other interest paid on business indebtedness	* 166	* 2,551	0	9,213	0	20,547	* 253
Office expenses	* 1,036	8,883	* 104	6,604	* 9	20,900	* 59
Pension and profit-sharing plans	* 73	* 48	0	* 619	0	* 600	* 16
Rent paid on machinery and equipment	* 157	* 3,999	0	* 13,940	0	6,936	0
Rent paid on other business property	* 128	49,316	0	41,295	0	68,005	* 64
Repairs	* 1,109	7,498	0	58,564	0	21,510	* 144
Supplies	* 1,628	31,106	* 525	44,433	* 6	44,015	* 16
Salaries and wages	* 5,217	* 76,329	0	146,888	0	161,055	* 854
Taxes paid	* 6,177	14,060	* 117	28,690	0	26,627	* 95
Travel	* 210	* 890	0	4,676	* 80	12,788	* 236
Utilities	* 1,233	20,130	* 205	38,173	0	50,631	* 58
Other business deductions	* 7,196	45,637	* 445	119,420	0	99,205	* 2,003
Home office business deductions, total	* 2,774	* 11,120	* 125	* 6,352	0	* 6,940	0
Depreciation, Form 8829 [3]	* 731	* 1,631	0	* 1,430	0	* 792	0
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	0	0
Net income [1,2]	33,604	120,580	* 16,942	276,806	* 2,020	437,018	* 7,200
Returns with Schedule C-EZ:							
Number of returns	* 530	* 4,259	* 1,024	* 3,420	0	* 1,992	* 138
Business receipts	* 3,880	* 35,634	* 10,593	* 26,646	0	* 14,225	* 232
Business deductions	* 2,469	* 4,629	0	* 1,934	0	* 627	* 51
Net income	* 1,411	* 31,005	* 10,593	* 24,713	0	* 13,598	* 180

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Manufacturing—continued						
	Chemical manufacturing	Plastics, rubber, clay, refractory, and glass products	Nonmetallic mineral products	Primary metal industries	Fabricated metal products	Machinery	Computer and electronic products
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	11,569	11,868	3,271	4,879	28,335	23,019	13,545
Business receipts, total [1]	1,081,306	378,462	713,751	602,321	3,734,667	3,051,994	413,813
Income from sales and operations [1]	1,079,816	376,974	712,554	581,658	3,675,190	3,044,819	411,434
Other business income	1,490	* 1,488	* 1,196	* 20,663	59,477	7,175	* 2,379
Business deductions, total [1,2]	1,120,858	400,579	627,292	589,136	3,337,903	2,591,394	283,844
Cost of sales and operations, total	689,093	205,099	318,576	347,610	1,839,711	1,315,182	104,687
Inventory, beginning of year	170,053	34,424	* 24,869	* 10,839	136,026	200,589	* 28,762
Cost of labor	* 2,909	* 14,398	* 3,933	* 64,216	236,780	151,824	* 9,347
Purchases	456,652	168,514	* 140,891	* 234,062	1,044,733	644,664	71,776
Materials and supplies	54,301	11,377	* 46,380	* 24,740	324,226	173,538	* 6,087
Other costs	42,829	11,852	* 130,552	* 22,609	262,359	270,096	* 17,809
Inventory, end of year	37,650	35,466	* 28,049	* 8,855	164,413	125,529	* 29,094
Advertising expenses	9,159	2,270	3,744	2,697	19,300	19,033	6,149
Car and truck expenses	28,141	19,857	* 10,535	* 11,469	103,828	84,620	46,735
Commissions	5,226	* 883	* 581	* 5,650	11,948	10,615	* 360
Contract labor	33,753	* 1,281	* 13,655	* 3,988	27,595	41,079	* 7,615
Depletion	0	* 8	* [4]	0	0	0	0
Depreciation	53,927	23,225	39,461	19,351	204,392	227,077	13,216
Employee benefit programs	5,089	* 2,654	* 9,919	* 2,118	17,893	11,512	* 491
Insurance	15,022	5,833	15,316	10,917	44,000	51,491	* 3,633
Legal and professional services	7,908	2,326	2,615	3,944	19,551	15,522	1,076
Meals and entertainment deducted	1,708	1,585	* 2,080	* 1,150	7,558	6,873	1,486
Mortgage interest	* 6,024	* 1,058	* 8,150	0	18,974	7,385	* 4,750
Other interest paid on business indebtedness	5,878	4,189	* 1,295	* 10,804	30,855	27,145	* 3,468
Office expenses	14,924	1,195	1,962	4,432	34,931	21,411	7,160
Pension and profit-sharing plans	* 1,355	* 301	0	* 623	3,428	3,755	* 1
Rent paid on machinery and equipment	12,197	3,386	* 842	* 15,949	10,699	30,325	* 2,551
Rent paid on other business property	14,277	7,402	* 885	* 24,997	99,360	75,824	* 5,930
Repairs	11,142	1,090	16,599	5,898	39,095	33,586	2,759
Supplies	15,380	9,896	15,093	5,401	90,974	85,566	9,465
Salaries and wages	101,502	51,227	74,165	* 56,804	304,827	257,936	* 13,581
Taxes paid	13,367	8,643	13,281	8,453	66,566	44,839	5,024
Travel	11,606	2,989	4,806	* 2,711	11,873	12,225	2,002
Utilities	20,383	11,405	12,184	15,574	61,264	74,478	7,747
Other business deductions	41,191	28,785	60,876	28,594	253,926	112,461	27,739
Home office business deductions, total	* 1,137	* 2,888	* 673	0	* 9,688	15,911	* 6,221
Depreciation, Form 8829 [3]	* 255	* 1,455	* 80	0	* 1,881	* 2,798	* 418
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	* 946
Excess—casualty depreciations, Form 8829 [3]	* 448	* 1,921	0	0	* 503	* 849	* 530
Net income less deficit [1,2]	-39,552	-21,828	86,459	12,522	397,452	460,528	133,222
Net income [1,2]	82,500	15,526	118,070	71,316	546,663	586,768	161,886
Deficit [2]	-122,052	-37,354	* -31,611	* -58,794	-149,211	-126,240	-28,664

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Manufacturing—continued						
	Chemical manufacturing	Plastics, rubber, clay, refractory, and glass products	Nonmetallic mineral products	Primary metal industries	Fabricated metal products	Machinery	Computer and electronic products
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
BUSINESSES WITH NET INCOME							
Number of returns [1]	4,688	4,772	2,218	2,930	19,947	17,369	7,337
Business receipts, total [1]	878,102	182,931	650,077	528,845	3,015,826	2,590,381	300,139
Income from sales and operations [1]	877,844	182,931	649,558	508,734	2,969,264	2,583,964	300,138
Other business income	* 258	0	* 519	* 20,110	46,562	6,417	* 1
Business deductions, total [1,2]	795,602	167,405	532,007	457,529	2,469,155	2,003,613	138,254
Cost of sales and operations, total	600,341	* 142,715	* 296,476	* 297,925	1,380,851	1,124,019	* 56,575
Inventory, beginning of year	* 165,916	* 7,721	* 21,016	* 2,761	96,800	177,194	* 4,962
Cost of labor	* 386	* 5,196	* 3,681	* 53,369	163,068	129,216	* 2,937
Purchases	* 385,010	* 136,651	* 123,004	* 205,951	752,582	560,865	* 51,712
Materials and supplies	* 44,960	* 711	* 42,660	* 24,740	298,797	155,047	* 8
Other costs	* 27,176	* 5,273	* 130,221	* 13,054	191,405	202,832	* 2,823
Inventory, end of year	* 23,106	* 12,837	* 24,105	* 1,950	121,801	101,135	* 5,866
Advertising expenses	* 5,611	* 378	* 2,667	* 802	17,282	8,699	* 3,051
Car and truck expenses	15,646	* 2,152	* 9,284	* 8,584	72,009	70,583	* 20,601
Commissions	* 2,818	0	* 89	* 3,504	10,962	6,513	* 88
Contract labor	* 11,091	* 46	* 11,077	* 955	22,758	24,909	* 4,269
Depletion	0	0	0	0	0	0	0
Depreciation	3,395	* 2,610	* 21,153	* 12,946	131,491	127,923	* 1,485
Employee benefit programs	* 4,677	* 27	* 9,729	* 564	15,740	9,722	0
Insurance	7,532	* 429	* 12,900	* 9,601	37,010	41,592	* 1,295
Legal and professional services	2,019	* 542	* 1,886	* 922	12,903	9,149	* 365
Meals and entertainment deducted	1,062	* 3	* 1,973	* 288	5,309	4,637	* 1,036
Mortgage interest	0	0	* 6,875	0	* 2,638	* 3,794	0
Other interest paid on business indebtedness	* 4,147	* 1,437	* 1,198	* 2,518	20,347	15,301	0
Office expenses	8,768	* 220	* 1,559	* 2,795	21,033	13,851	* 4,378
Pension and profit-sharing plans	* 835	* 301	0	* 5	3,175	* 3,585	0
Rent paid on machinery and equipment	* 1,998	* 272	* 819	* 14,604	6,299	14,368	0
Rent paid on other business property	* 6,289	* 2,016	* 431	* 22,701	73,318	48,652	* 3,528
Repairs	* 6,420	* 506	* 13,111	* 4,029	20,444	21,688	* 732
Supplies	8,336	* 2	* 10,216	* 2,210	71,457	53,203	* 2,273
Salaries and wages	* 49,380	* 8,823	* 60,670	* 35,681	238,400	203,923	* 8,764
Taxes paid	5,840	* 948	* 10,727	* 5,371	55,434	36,757	* 3,648
Travel	8,677	* 137	* 4,383	* 470	9,387	8,872	* 1,714
Utilities	7,235	* 1,359	* 9,128	* 9,968	47,562	57,592	* 2,338
Other business deductions	31,073	* 1,040	* 44,983	21,085	180,282	75,875	* 17,624
Home office business deductions, total	* 946	* 340	* 673	0	* 7,396	* 12,858	* 4,489
Depreciation, Form 8829 [3]	* 130	0	* 80	0	* 86	* 1,949	0
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	0	0
Net income [1,2]	82,500	15,526	118,070	71,316	546,663	586,768	161,886
Returns with Schedule C-EZ:							
Number of returns	* 1,986	* 3,818	0	0	6,416	* 2,266	* 755
Business receipts	* 2,929	* 10,847	0	0	36,379	* 29,269	* 1,764
Business deductions	* 1,468	* 1,103	0	0	* 5,666	* 5,544	0
Net income	* 1,460	* 9,744	0	0	30,713	* 23,725	* 1,764

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Manufacturing—continued					Wholesale trade (merchant wholesalers)	
	Electrical equipment, appliances, and components	Transportation equipment	Furniture and related products	Medical equipment and supplies	Other miscellaneous manufacturing	Total	Durable goods, including machinery, wood, metals, etc.
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	3,318	10,919	28,835	8,302	57,548	325,522	135,479
Business receipts, total [1]	500,680	936,764	2,486,626	646,131	3,100,965	52,343,754	23,705,289
Income from sales and operations [1]	498,333	934,255	2,483,431	644,386	3,076,336	51,870,334	23,440,747
Other business income	2,347	2,509	3,195	* 1,745	24,629	473,420	264,542
Business deductions, total [1,2]	435,343	937,420	1,854,469	545,107	2,811,381	48,251,387	22,096,926
Cost of sales and operations, total	290,383	466,316	827,273	233,258	1,374,775	35,656,760	16,708,637
Inventory, beginning of year	24,370	94,755	110,169	* 10,259	218,342	3,265,995	2,048,030
Cost of labor	* 19,027	141,834	138,608	* 918	186,033	636,810	305,852
Purchases	178,624	202,107	480,910	* 171,597	897,853	31,187,613	14,776,281
Materials and supplies	* 119,925	82,741	147,472	* 50,984	225,196	1,479,457	788,834
Other costs	* 4,421	65,070	60,572	* 12,395	132,696	2,469,734	979,645
Inventory, end of year	55,983	120,191	110,457	* 12,895	285,344	3,382,848	2,190,004
Advertising expenses	3,352	10,809	17,184	17,026	39,263	357,245	179,120
Car and truck expenses	6,181	75,195	148,024	33,270	130,216	1,497,711	613,789
Commissions	* 1,275	* 621	15,499	* 17,768	9,768	502,568	235,869
Contract labor	* 6,519	32,401	73,716	25,315	18,973	421,591	171,468
Depletion	0	0	* 65	0	* [4]	2,321	* 1,482
Depreciation	4,819	15,903	100,319	8,041	185,496	744,175	404,691
Employee benefit programs	* 2,003	2,025	* 4,427	4,722	12,144	95,971	39,196
Insurance	2,613	16,800	33,222	3,635	36,757	319,991	157,625
Legal and professional services	2,803	8,734	12,424	9,333	31,546	232,367	111,999
Meals and entertainment deducted	1,204	2,499	7,849	1,936	7,842	171,463	70,403
Mortgage interest	0	* 595	* 8,297	* 1,018	14,693	125,309	71,597
Other interest paid on business indebtedness	* 3,745	4,911	9,377	2,028	28,641	218,514	95,774
Office expenses	1,794	6,352	14,107	5,056	27,769	253,242	121,140
Pension and profit-sharing plans	* 633	* 333	* 2,194	* 710	2,038	17,711	10,249
Rent paid on machinery and equipment	* 10,655	6,196	5,862	* 7,667	11,277	138,173	51,925
Rent paid on other business property	4,976	40,522	80,349	19,780	117,823	721,644	323,153
Repairs	* 1,256	15,017	12,994	3,018	27,886	280,508	130,667
Supplies	2,936	63,069	103,903	22,208	114,176	624,316	282,302
Salaries and wages	31,955	69,381	107,387	45,805	191,973	1,565,891	722,086
Taxes paid	3,263	15,786	36,139	6,143	57,540	368,252	193,812
Travel	3,034	17,828	13,610	13,365	24,497	494,808	223,403
Utilities	20,165	13,190	53,481	10,292	60,214	490,620	208,845
Other business deductions	29,401	52,657	147,111	42,423	258,170	2,703,535	860,937
Home office business deductions, total	0	* 280	18,216	* 9,486	19,800	222,432	100,034
Depreciation, Form 8829 [3]	0	* 211	* 2,202	* 1,769	* 1,425	22,532	10,175
Casualty loss, Form 8829 [3]	0	0	0	* 668	0	* 106	* 106
Excess—casualty depreciations, Form 8829 [3]	0	* 1,264	* 550	* 3	* 4,056	20,824	9,304
Net income less deficit [1,2]	65,337	4,255	632,157	101,023	302,745	4,118,498	1,620,013
Net income [1,2]	88,050	110,832	674,436	127,327	526,381	5,572,750	2,276,297
Deficit [2]	* -22,713	-106,577	-42,279	-26,303	-223,636	-1,454,253	-656,284

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Manufacturing—continued					Wholesale trade (merchant wholesalers)	
	Electrical equipment, appliances, and components	Transportation equipment	Furniture and related products	Medical equipment and supplies	Other miscellaneous manufacturing	Total	Durable goods, including machinery, wood, metals, etc.
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
BUSINESSES WITH NET INCOME							
Number of returns [1]	3,260	5,763	22,732	6,714	32,034	205,647	86,599
Business receipts, total [1]	438,282	606,916	2,165,417	479,075	2,489,543	42,913,616	19,761,789
Income from sales and operations [1]	436,270	605,821	2,162,297	478,671	2,469,326	42,453,743	19,520,545
Other business income	* 2,012	* 1,094	* 3,120	* 404	20,216	459,873	241,244
Business deductions, total [1,2]	350,232	496,083	1,490,981	351,748	1,964,974	37,342,413	17,486,329
Cost of sales and operations, total	238,150	255,541	692,598	98,180	1,039,003	28,469,039	13,693,397
Inventory, beginning of year	* 13,822	* 33,414	85,115	* 7,857	129,314	2,172,934	1,351,165
Cost of labor	* 12,692	* 95,108	* 102,172	* 403	175,143	494,882	208,776
Purchases	* 126,814	* 91,591	387,044	* 48,588	628,174	24,885,126	12,191,052
Materials and supplies	* 118,764	* 35,099	146,765	* 47,214	161,721	1,085,728	623,129
Other costs	* 1,892	* 32,577	60,571	* 3,556	112,003	2,127,505	821,055
Inventory, end of year	* 35,834	* 32,248	89,068	* 9,438	167,352	2,297,137	1,501,780
Advertising expenses	* 1,748	* 4,901	15,853	* 4,192	31,384	221,108	107,690
Car and truck expenses	* 6,094	30,015	121,574	30,560	71,890	1,066,729	445,756
Commissions	* 655	* 620	15,484	* 15,278	6,163	413,828	193,312
Contract labor	* 6,044	* 30,728	38,143	21,542	15,365	288,507	110,137
Depletion	0	0	* 65	0	0	1,807	* 1,393
Depreciation	1,979	* 3,502	93,046	7,000	127,672	477,442	256,335
Employee benefit programs	* 934	* 1,229	* 1,381	* 4,415	6,627	78,556	31,297
Insurance	* 1,846	12,226	26,316	2,817	27,159	227,853	105,026
Legal and professional services	1,145	* 1,216	9,605	5,473	13,415	136,769	71,362
Meals and entertainment deducted	* 1,132	* 1,876	7,253	1,854	4,747	138,854	58,593
Mortgage interest	0	* 225	* 3,717	* 150	6,987	61,635	20,926
Other interest paid on business indebtedness	* 1,304	* 1,124	8,283	* 1,419	17,698	120,490	67,155
Office expenses	* 1,407	* 5,063	12,499	3,995	19,945	186,033	88,419
Pension and profit-sharing plans	* 409	* 31	* 1,166	* 708	* 1,052	16,776	10,106
Rent paid on machinery and equipment	* 9,479	* 2,335	5,642	* 7,658	9,896	96,910	26,444
Rent paid on other business property	* 3,414	* 16,698	57,301	17,138	80,617	518,098	220,299
Repairs	* 936	* 11,834	11,477	2,678	14,246	204,221	92,533
Supplies	* 2,853	* 50,360	71,656	18,850	75,048	484,325	229,999
Salaries and wages	* 24,547	* 17,783	* 60,918	33,583	136,528	1,149,524	529,922
Taxes paid	2,522	8,067	28,141	4,683	42,639	249,901	122,124
Travel	* 2,546	4,206	13,186	11,711	13,178	381,679	176,659
Utilities	* 19,757	* 6,548	41,274	8,421	39,842	346,168	149,572
Other business deductions	20,954	29,956	137,269	38,481	152,646	1,828,317	596,698
Home office business deductions, total	0	0	* 15,696	* 9,158	* 3,121	154,025	74,903
Depreciation, Form 8829 [3]	0	0	* 1,927	* 1,767	* 26	13,094	7,596
Casualty loss, Form 8829 [3]	0	0	0	* 668	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	3,447	* 1,354
Net income [1,2]	88,050	110,832	674,436	127,327	526,381	5,572,750	2,276,297
Returns with Schedule C-EZ:							
Number of returns	* 973	0	* 1,998	* 1,690	7,474	38,991	15,677
Business receipts	* 1,075	0	* 11,824	* 6,661	40,883	264,407	78,519
Business deductions	* 377	0	* 1,439	* 1,804	* 8,104	24,270	6,721
Net income	* 698	0	* 10,385	* 4,857	32,779	240,136	71,798

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Wholesale trade (merchant wholesalers)—continued		Retail trade				
	Nondurable goods, including food, fiber, chemicals, etc.	Wholesale electronic markets and agents and brokers	Total	Motor vehicle and parts dealers	Furniture and home furnishing stores	Electronic and appliance stores	Building material and garden equipment and supplies dealers
	(43)	(44)	(45)	(46)	(47)	(48)	(49)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	100,241	89,801	2,275,476	141,986	45,128	32,022	43,178
Business receipts, total [1]	22,368,567	6,269,898	196,844,560	39,539,674	4,331,050	4,836,187	8,367,667
Income from sales and operations [1]	22,259,382	6,170,206	194,721,473	39,177,142	4,292,281	4,773,219	8,301,860
Other business income	109,185	99,692	2,123,086	362,531	38,769	62,968	65,807
Business deductions, total [1,2]	20,920,500	5,233,961	188,900,346	38,827,723	3,976,737	4,490,041	7,661,063
Cost of sales and operations, total	15,626,127	3,321,995	132,845,871	31,162,759	2,220,682	2,820,506	5,260,086
Inventory, beginning of year	1,037,632	180,333	22,981,355	5,663,867	706,768	400,027	1,040,032
Cost of labor	285,608	45,350	1,822,356	288,426	150,578	222,924	189,968
Purchases	13,579,766	2,831,567	120,340,761	28,807,423	1,770,201	2,448,638	4,628,858
Materials and supplies	475,340	215,283	6,418,929	912,054	223,003	66,242	192,570
Other costs	1,223,583	266,505	4,578,925	1,189,642	74,491	83,868	318,792
Inventory, end of year	975,801	217,043	23,296,455	5,698,653	704,358	401,192	1,110,132
Advertising expenses	123,765	54,360	2,303,936	346,283	128,617	107,694	94,774
Car and truck expenses	515,872	368,049	6,265,499	672,072	147,153	143,682	176,899
Commissions	183,290	83,409	960,606	192,698	40,594	18,963	31,850
Contract labor	173,607	76,517	1,091,120	239,252	69,977	72,335	65,285
Depletion	* 839	* [4]	6,015	* 1,243	* 343	* 1	* 592
Depreciation	274,822	64,662	2,894,967	349,934	70,699	65,103	199,768
Employee benefit programs	26,473	30,302	251,915	38,527	9,608	18,209	26,972
Insurance	132,405	29,961	1,445,030	302,584	43,714	51,285	95,521
Legal and professional services	80,745	39,623	798,232	97,417	20,759	14,087	32,436
Meals and entertainment deducted	51,422	49,639	455,331	36,416	13,604	11,110	13,262
Mortgage interest	32,532	21,180	825,641	158,581	36,118	19,932	53,252
Other interest paid on business indebtedness	103,748	18,991	1,137,139	335,036	26,812	31,707	46,363
Office expenses	82,215	49,887	1,096,150	137,959	29,508	41,330	35,829
Pension and profit-sharing plans	5,006	2,456	67,500	2,019	* 775	* 415	* 3,560
Rent paid on machinery and equipment	56,970	29,279	705,954	50,516	29,017	47,314	26,769
Rent paid on other business property	290,702	107,789	6,150,702	607,096	312,776	135,706	111,089
Repairs	128,976	20,865	1,200,494	243,463	32,947	19,129	65,398
Supplies	291,256	50,758	2,597,189	325,970	41,654	96,776	78,305
Salaries and wages	683,160	160,644	8,398,223	1,280,508	210,063	334,248	546,661
Taxes paid	151,196	23,243	2,814,867	451,942	72,892	102,885	133,242
Travel	141,869	129,536	1,102,714	81,710	32,483	32,834	18,041
Utilities	191,373	90,402	3,597,850	382,906	116,527	106,454	162,203
Other business deductions	1,497,740	344,858	8,948,051	1,294,779	253,722	169,978	368,288
Home office business deductions, total	66,139	56,259	702,195	11,055	14,185	27,809	9,098
Depreciation, Form 8829 [3]	7,211	5,146	106,931	1,534	* 5,134	2,710	* 213
Casualty loss, Form 8829 [3]	0	0	* 4,516	* 39	0	0	0
Excess—casualty depreciations, Form 8829 [3]	8,657	* 2,862	181,093	2,355	* 2,812	* 2,188	* 1,012
Net income less deficit [1,2]	1,461,836	1,036,649	8,012,708	733,028	355,250	346,146	714,661
Net income [1,2]	1,994,639	1,301,815	16,853,669	1,800,047	536,726	467,415	861,849
Deficit [2]	-532,802	-265,166	-8,840,961	-1,067,018	-181,476	-121,268	-147,188

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Wholesale trade (merchant wholesalers)—continued		Retail trade				
	Nondurable goods, including food, fiber, chemicals, etc.	Wholesale electronic markets and agents and brokers	Total	Motor vehicle and parts dealers	Furniture and home furnishing stores	Electronic and appliance stores	Building material and garden equipment and supplies dealers
	(43)	(44)	(45)	(46)	(47)	(48)	(49)
BUSINESSES WITH NET INCOME							
Number of returns [1]	62,503	56,546	1,178,928	95,809	31,080	21,707	29,288
Business receipts, total [1]	17,868,712	5,283,115	149,566,389	27,100,408	3,078,483	4,090,173	7,011,290
Income from sales and operations [1]	17,734,303	5,198,894	148,063,938	26,926,679	3,070,933	4,039,508	6,959,982
Other business income	134,409	84,221	1,502,451	173,729	7,550	50,664	51,308
Business deductions, total [1,2]	15,874,073	3,982,011	132,720,763	25,304,353	2,541,757	3,622,758	6,149,696
Cost of sales and operations, total	12,105,272	2,670,370	97,502,301	20,715,047	1,434,468	2,393,066	4,327,633
Inventory, beginning of year	708,712	113,056	13,153,044	2,970,585	396,850	272,294	692,592
Cost of labor	250,780	* 35,326	1,380,543	140,847	114,984	222,840	128,309
Purchases	10,481,909	2,212,165	88,815,361	19,598,977	1,125,537	2,035,150	3,828,553
Materials and supplies	278,543	184,056	4,335,265	341,390	171,088	55,575	174,460
Other costs	1,040,603	265,847	3,535,283	784,688	42,929	82,526	257,556
Inventory, end of year	655,276	140,080	13,717,195	3,121,440	416,920	275,320	753,837
Advertising expenses	71,106	42,312	1,310,156	204,332	85,731	69,358	76,363
Car and truck expenses	355,332	265,641	3,618,805	445,935	113,873	103,316	128,706
Commissions	154,206	66,309	622,853	122,095	26,919	* 11,349	26,971
Contract labor	130,232	48,138	686,544	154,106	42,081	46,472	63,286
Depletion	* 415	0	2,863	* 8	* 140	* 1	* 592
Depreciation	188,558	32,548	1,562,400	189,161	50,647	50,357	149,148
Employee benefit programs	20,494	26,765	178,595	14,064	4,783	15,618	25,037
Insurance	100,032	22,794	967,694	175,307	29,250	39,594	64,095
Legal and professional services	50,302	15,105	480,651	54,885	11,801	8,639	22,274
Meals and entertainment deducted	43,336	36,925	269,654	28,001	8,690	6,687	12,128
Mortgage interest	20,203	20,506	449,098	70,222	26,681	17,671	37,598
Other interest paid on business indebtedness	42,205	11,130	575,861	160,529	11,756	29,941	29,932
Office expenses	63,857	33,756	637,419	78,857	20,527	31,093	28,604
Pension and profit-sharing plans	4,774	* 1,896	29,744	1,328	* 775	* 255	* 3,492
Rent paid on machinery and equipment	48,698	21,769	469,491	36,184	22,306	35,323	21,617
Rent paid on other business property	212,766	85,033	4,046,202	366,565	177,343	99,883	82,616
Repairs	101,276	10,413	762,785	148,493	21,094	11,765	48,418
Supplies	230,775	23,550	1,486,529	215,507	22,935	81,052	66,542
Salaries and wages	535,776	83,826	5,743,701	691,439	137,195	228,317	416,658
Taxes paid	113,684	14,093	1,937,490	291,852	50,927	72,752	98,110
Travel	103,272	101,747	697,758	52,691	25,273	26,536	16,400
Utilities	133,630	62,965	2,247,195	224,301	75,219	68,672	116,731
Other business deductions	1,005,870	225,749	5,791,291	830,936	130,241	151,204	276,584
Home office business deductions, total	29,751	49,372	419,835	8,605	* 9,590	23,291	* 4,640
Depreciation, Form 8829 [3]	1,616	3,882	53,463	* 878	* 4,053	* 1,838	* 209
Casualty loss, Form 8829 [3]	0	0	* 3,606	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 632	* 1,461	6,953	* 505	0	* 636	0
Net income [1,2]	1,994,639	1,301,815	16,853,669	1,800,047	536,726	467,415	861,849
Returns with Schedule C-EZ:							
Number of returns	11,589	11,725	261,081	22,033	* 2,478	* 3,975	* 4,223
Business receipts	64,425	121,463	1,524,003	194,113	* 14,242	* 8,522	* 64,004
Business deductions	8,250	9,298	237,156	24,997	* 1,510	* 545	* 5,520
Net income	56,175	112,164	1,286,846	169,116	* 12,732	* 7,977	* 58,484

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Retail trade—continued						
	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores	Miscellaneous store retailers
	(50)	(51)	(52)	(53)	(54)	(55)	(56)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	90,978	133,393	21,790	127,848	103,392	23,544	529,027
Business receipts, total [1]	28,514,563	8,894,781	28,899,287	11,609,824	7,467,029	2,841,834	30,631,191
Income from sales and operations [1]	28,068,831	8,801,661	28,670,435	11,554,475	7,421,552	2,829,358	30,329,163
Other business income	445,732	93,120	228,852	55,350	45,476	12,475	302,028
Business deductions, total [1,2]	27,595,610	8,240,958	28,797,550	11,157,231	7,343,693	2,769,173	28,760,186
Cost of sales and operations, total	20,655,160	5,355,152	25,521,579	6,729,413	4,747,185	1,881,267	16,977,950
Inventory, beginning of year	1,800,319	798,740	601,593	2,400,816	1,847,663	429,545	5,129,421
Cost of labor	214,629	29,049	23,501	134,347	70,231	* 676	317,753
Purchases	19,086,717	4,851,061	23,910,413	6,000,748	4,441,528	1,692,552	14,813,583
Materials and supplies	941,373	183,001	1,249,647	441,687	173,374	* 108,260	1,160,440
Other costs	589,608	269,251	293,074	210,277	129,910	127,971	795,622
Inventory, end of year	1,977,488	775,950	556,649	2,458,462	1,915,521	477,735	5,238,867
Advertising expenses	138,076	146,250	30,224	222,136	139,251	29,556	497,655
Car and truck expenses	259,343	295,247	74,465	188,186	168,931	74,559	1,579,177
Commissions	54,669	37,614	19,436	49,032	23,292	2,501	184,494
Contract labor	61,679	96,683	29,991	25,398	67,721	37,451	206,348
Depletion	* 478	0	* 1,192	0	* 1,584	0	112
Depreciation	336,145	130,204	254,905	163,181	140,151	64,985	603,604
Employee benefit programs	22,688	22,626	12,068	14,514	7,143	* 714	60,417
Insurance	197,307	54,484	103,724	104,904	59,709	23,746	285,635
Legal and professional services	91,439	49,558	48,303	80,449	43,876	14,381	165,023
Meals and entertainment deducted	8,895	40,969	3,716	22,816	17,567	2,950	134,552
Mortgage interest	98,331	37,529	126,125	28,107	40,604	27,580	132,200
Other interest paid on business indebtedness	109,749	29,759	78,449	73,858	47,734	19,552	212,614
Office expenses	59,467	65,850	18,875	90,722	50,556	14,733	263,151
Pension and profit-sharing plans	1,559	5,661	907	7,231	* 595	* 314	7,127
Rent paid on machinery and equipment	114,481	80,091	28,366	39,458	19,665	19,904	189,037
Rent paid on other business property	892,191	277,760	323,622	1,068,134	416,806	127,339	1,535,793
Repairs	200,475	44,289	120,990	68,285	48,218	11,491	216,000
Supplies	416,386	151,189	37,876	170,494	136,710	19,023	447,453
Salaries and wages	1,585,459	525,192	765,483	663,827	336,587	123,230	1,604,025
Taxes paid	444,564	102,376	342,544	255,714	154,762	62,874	499,328
Travel	37,491	68,685	5,406	98,099	48,649	13,766	327,175
Utilities	714,081	155,781	292,913	243,181	180,225	60,352	725,796
Other business deductions	1,084,989	389,897	547,089	682,229	393,371	135,960	1,692,333
Home office business deductions, total	9,118	63,065	5,936	60,462	49,144	* 945	150,091
Depreciation, Form 8829 [3]	* 1,162	6,395	* 28	10,355	8,841	* 242	28,467
Casualty loss, Form 8829 [3]	0	* 248	0	* 346	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 2,065	11,558	* 19	8,788	23,840	* 474	37,284
Net income less deficit [1,2]	929,414	651,259	101,208	453,277	123,558	72,660	1,875,498
Net income [1,2]	1,491,564	1,160,162	397,810	1,104,690	696,952	211,428	3,927,931
Deficit [2]	-562,149	-508,903	-296,603	-651,412	-573,394	-138,768	-2,052,433

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Retail trade—continued						
	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and accessories stores	Sporting goods, hobby, book, and music stores	General merchandise stores	Miscellaneous store retailers
	(50)	(51)	(52)	(53)	(54)	(55)	(56)
BUSINESSES WITH NET INCOME							
Number of returns [1]	63,642	57,826	13,306	70,613	42,403	10,980	285,724
Business receipts, total [1]	23,297,348	7,794,683	19,879,724	9,894,062	5,433,941	2,360,036	23,472,085
Income from sales and operations [1]	22,905,604	7,718,412	19,710,932	9,829,646	5,400,416	2,346,483	23,243,850
Other business income	391,744	76,272	168,793	64,416	33,525	* 13,553	228,235
Business deductions, total [1,2]	21,809,459	6,634,591	19,481,488	8,789,372	4,736,989	2,148,608	19,544,155
Cost of sales and operations, total	16,692,769	4,649,620	17,442,280	5,585,164	3,309,632	1,578,701	12,581,581
Inventory, beginning of year	1,384,837	588,537	394,566	1,558,673	1,069,581	307,300	2,488,210
Cost of labor	196,818	* 25,996	10,134	124,391	48,268	* 434	207,406
Purchases	15,162,242	4,252,359	16,655,864	5,008,550	3,089,708	1,463,915	10,941,687
Materials and supplies	888,351	114,942	532,936	384,216	109,103	* 17,144	917,896
Other costs	553,547	245,416	218,156	160,940	80,193	127,717	628,897
Inventory, end of year	1,493,026	577,630	369,376	1,651,606	1,087,220	337,810	2,602,515
Advertising expenses	88,758	91,946	18,918	132,251	62,101	16,405	279,617
Car and truck expenses	180,700	133,459	60,122	112,558	65,170	50,212	854,567
Commissions	51,474	34,276	9,603	42,565	18,107	* 2,303	134,723
Contract labor	32,422	59,405	17,827	21,039	43,166	* 9,711	130,230
Depletion	* 419	0	* 27	0	* 1,518	0	* 36
Depreciation	198,439	81,590	123,655	110,344	57,735	26,635	286,094
Employee benefit programs	16,713	20,038	9,513	9,813	5,148	* 593	44,419
Insurance	154,430	40,710	67,182	80,712	35,678	15,174	187,979
Legal and professional services	61,840	34,695	31,683	54,574	23,180	8,637	101,957
Meals and entertainment deducted	4,625	16,933	3,307	14,348	8,309	1,529	78,503
Mortgage interest	58,731	21,032	79,207	13,253	16,918	16,806	56,689
Other interest paid on business indebtedness	68,660	18,405	37,744	41,782	16,066	12,229	109,835
Office expenses	38,093	44,556	13,131	58,631	27,237	9,990	150,434
Pension and profit-sharing plans	763	5,647	* 661	6,538	* 590	* 305	6,274
Rent paid on machinery and equipment	86,362	58,129	14,018	21,875	7,460	19,595	106,218
Rent paid on other business property	659,644	215,539	215,937	790,456	227,149	81,783	933,511
Repairs	149,596	30,715	70,558	51,637	27,291	7,981	122,254
Supplies	308,291	91,885	24,614	94,040	80,838	10,262	189,619
Salaries and wages	1,186,299	451,741	484,932	508,267	219,399	98,072	1,092,876
Taxes paid	340,317	79,560	222,762	205,909	107,152	52,472	308,051
Travel	22,905	42,962	1,534	76,658	22,844	7,456	207,441
Utilities	540,904	94,295	189,111	162,607	107,363	45,137	420,964
Other business deductions	861,114	270,695	337,467	547,325	221,517	76,147	998,501
Home office business deductions, total	3,810	31,708	* 5,566	39,628	21,985	* 472	101,249
Depreciation, Form 8829 [3]	* 307	3,613	* 16	5,852	* 1,705	* [4]	16,116
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 81	* 53	* 16	* 1,383	* 165	0	* 272
Net income [1,2]	1,491,564	1,160,162	397,810	1,104,690	696,952	211,428	3,927,931
Returns with Schedule C-EZ:							
Number of returns	* 6,043	12,684	* 2,320	7,416	5,125	* 973	82,674
Business receipts	* 42,084	129,668	* 16,253	31,976	13,915	* 818	458,692
Business deductions	* 1,389	15,047	* 3,364	* 7,402	* 3,658	0	63,096
Net income	* 40,695	114,621	* 12,889	24,574	* 10,256	* 818	395,596

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Retail trade— continued	Transportation and warehousing					
	Nonstore retailers	Total	Air and rail transportation	Water transportation	General freight trucking, local	General freight trucking, long- distance and specialized freight trucking	Urban transit
	(57)	(58)	(59)	(60)	(61)	(62)	(63)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	983,191	1,047,716	11,156	6,787	212,461	** 363,583	**
Business receipts, total [1]	20,911,475	81,073,306	1,519,288	870,779	20,208,531	** 40,483,021	**
Income from sales and operations [1]	20,501,496	79,832,948	1,472,009	866,799	20,035,767	** 39,766,495	**
Other business income	409,978	1,240,358	47,279	3,980	172,764	** 716,526	**
Business deductions, total [1,2]	19,280,383	71,793,888	1,870,929	736,297	17,989,641	** 36,429,900	**
Cost of sales and operations, total	9,514,130	9,842,920	657,630	275,905	2,614,141	** 3,701,472	**
Inventory, beginning of year	2,162,564	206,845	82,295	* 328	10,119	** 68,969	**
Cost of labor	180,275	1,860,612	15,502	* 29,423	877,475	** 498,576	**
Purchases	7,889,040	2,210,173	53,241	1,799	248,000	** 954,711	**
Materials and supplies	767,278	989,572	150,634	* 2,343	343,461	** 269,851	**
Other costs	496,421	4,879,190	510,512	245,109	1,150,969	** 1,983,523	**
Inventory, end of year	1,981,447	303,471	154,554	* 3,097	15,882	** 74,157	**
Advertising expenses	423,420	205,544	4,174	2,725	37,086	** 46,423	**
Car and truck expenses	2,485,786	22,634,352	48,701	11,380	5,316,783	** 13,053,095	**
Commissions	305,462	1,001,138	12,740	8,762	342,674	** 411,111	**
Contract labor	119,000	3,932,757	26,444	16,062	1,062,968	** 2,212,017	**
Depletion	469	5,625	* 120	* 70	* 1,089	** 1,963	**
Depreciation	516,289	5,548,139	420,770	112,939	1,463,245	** 2,802,821	**
Employee benefit programs	18,430	102,991	2,430	5,711	38,716	** 39,195	**
Insurance	122,418	2,787,574	31,236	20,772	795,355	** 1,386,838	**
Legal and professional services	140,503	333,543	17,315	7,299	67,109	** 142,208	**
Meals and entertainment deducted	149,474	1,550,420	4,215	1,706	219,671	** 1,221,829	**
Mortgage interest	67,281	340,295	26,107	8,467	76,036	** 140,876	**
Other interest paid on business indebtedness	125,506	722,855	61,145	21,642	165,352	** 366,777	**
Office expenses	288,171	352,287	6,545	1,459	79,746	** 145,435	**
Pension and profit-sharing plans	37,335	8,170	699	* 182	449	** 5,080	**
Rent paid on machinery and equipment	61,336	2,309,439	12,983	4,055	479,195	** 1,029,793	**
Rent paid on other business property	342,389	583,160	20,215	14,499	128,661	** 153,874	**
Repairs	129,809	4,195,376	67,628	25,463	1,278,282	** 2,376,463	**
Supplies	675,352	1,129,303	23,727	5,666	313,949	** 576,731	**
Salaries and wages	422,940	2,580,330	63,050	56,896	873,460	** 957,798	**
Taxes paid	191,745	1,246,457	14,924	6,791	356,934	** 657,182	**
Travel	338,377	734,331	26,748	4,573	157,553	** 392,897	**
Utilities	457,431	853,976	8,983	2,534	195,167	** 389,442	**
Other business deductions	1,935,415	8,450,216	306,918	118,208	1,842,414	** 4,095,582	**
Home office business deductions, total	301,288	230,481	4,329	* 152	65,036	** 90,904	**
Depreciation, Form 8829 [3]	41,850	20,744	* 63	* 5	3,715	** 6,811	**
Casualty loss, Form 8829 [3]	* 3,883	* 7	* 7	0	0	** 0	**
Excess—casualty depreciations, Form 8829 [3]	88,697	4,134	* 8	* 3	* 1,116	** 1,240	**
Net income less deficit [1,2]	1,656,747	9,383,446	-291,560	139,639	2,218,991	** 4,054,522	**
Net income [1,2]	4,197,095	12,541,505	234,880	223,745	2,912,265	** 5,005,243	**
Deficit [2]	-2,540,348	-3,158,059	-526,440	-84,106	-693,274	** -950,722	**

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Retail trade— continued	Transportation and warehousing					
	Nonstore retailers	Total	Air and rail transportation	Water transportation	General freight trucking, local	General freight trucking, long- distance and specialized freight trucking	Urban transit
	(57)	(58)	(59)	(60)	(61)	(62)	(63)
BUSINESSES WITH NET INCOME							
Number of returns [1]	456,550	826,797	6,888	5,288	166,520	** 286,447	**
Business receipts, total [1]	16,154,154	65,340,649	969,925	589,647	16,159,729	** 32,912,494	**
Income from sales and operations [1]	15,911,492	64,345,541	948,953	586,796	16,043,288	** 32,319,886	**
Other business income	242,662	995,108	20,973	* 2,850	116,441	** 592,608	**
Business deductions, total [1,2]	11,957,536	52,808,058	743,931	365,919	13,247,438	** 27,907,250	**
Cost of sales and operations, total	6,792,340	6,935,846	485,913	* 194,923	1,830,398	** 2,632,242	**
Inventory, beginning of year	1,029,019	112,604	* 14,324	* 26	7,556	** 56,843	**
Cost of labor	160,116	1,500,671	* 10,464	* 20,139	750,876	** 317,899	**
Purchases	5,652,819	1,626,754	* 12,707	* 645	169,090	** 843,671	**
Materials and supplies	628,163	766,462	* 148,084	* 1,110	283,704	** 140,420	**
Other costs	352,718	3,067,322	312,734	* 173,025	631,090	** 1,341,604	**
Inventory, end of year	1,030,494	137,967	* 12,401	* 22	11,918	** 68,195	**
Advertising expenses	184,378	130,377	2,584	* 173	27,832	** 30,061	**
Car and truck expenses	1,370,187	17,332,963	38,157	4,578	4,103,124	** 10,384,335	**
Commissions	142,467	771,060	6,773	* 822	258,115	** 316,166	**
Contract labor	66,799	3,040,285	9,384	* 3,920	817,101	** 1,674,202	**
Depletion	* 121	5,497	* 102	* 1	* 1,051	** 1,963	**
Depreciation	238,594	3,339,979	42,323	23,320	886,621	** 1,992,722	**
Employee benefit programs	12,856	74,009	* 301	* 4,750	26,588	** 28,990	**
Insurance	77,583	2,085,261	8,786	9,165	615,724	** 1,048,141	**
Legal and professional services	66,485	220,892	3,060	1,515	51,903	** 111,901	**
Meals and entertainment deducted	86,596	1,310,894	3,246	* 554	180,136	** 1,048,821	**
Mortgage interest	34,291	194,206	4,355	* 711	42,821	** 70,878	**
Other interest paid on business indebtedness	38,982	425,263	4,737	* 3,148	100,383	** 249,835	**
Office expenses	136,265	250,500	4,986	466	58,524	** 110,854	**
Pension and profit-sharing plans	3,115	6,386	* 43	* 182	* 309	** 4,271	**
Rent paid on machinery and equipment	40,404	1,928,250	6,096	* 149	424,934	** 807,660	**
Rent paid on other business property	195,775	434,202	3,985	* 12,316	90,734	** 115,315	**
Repairs	72,983	3,151,363	4,234	6,845	935,471	** 1,861,893	**
Supplies	300,942	833,472	12,185	* 1,087	203,768	** 467,825	**
Salaries and wages	228,505	1,582,648	9,521	* 21,563	568,403	** 592,734	**
Taxes paid	107,626	885,832	1,983	2,733	242,755	** 491,771	**
Travel	195,059	555,786	14,447	* 2,489	120,742	** 311,050	**
Utilities	201,889	626,981	6,086	1,201	144,205	** 293,627	**
Other business deductions	1,089,561	6,395,630	66,288	66,784	1,453,530	** 3,153,122	**
Home office business deductions, total	169,289	179,169	* 3,204	* 144	43,698	** 75,678	**
Depreciation, Form 8829 [3]	18,877	15,361	* 57	* 2	1,989	** 5,511	**
Casualty loss, Form 8829 [3]	* 3,606	0	0	0	0	**0	**
Excess—casualty depreciations, Form 8829 [3]	* 3,842	* 1	0	0	* 1	**0	**
Net income [1,2]	4,197,095	12,541,505	234,880	223,745	2,912,265	** 5,005,243	**
Returns with Schedule C-EZ:							
Number of returns	111,138	113,194	* 2,255	* 1,943	19,751	** 26,260	**
Business receipts	549,716	915,756	* 73,658	* 9,900	137,590	** 252,046	**
Business deductions	110,627	112,207	* 1,153	* 2,379	18,570	** 32,093	**
Net income	439,089	803,550	* 72,505	* 7,521	119,021	** 219,952	**

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Transportation and warehousing—continued						
	Interurban and rural bus transportation	Taxi and limousine service	School, employee, and charter bus industry	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation (including motor vehicle towing)
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	* 944	167,974	13,701	23,920	* 658	12,292	51,560
Business receipts, total [1]	* 33,682	5,641,078	741,861	718,765	* 45,911	508,958	4,279,539
Income from sales and operations [1]	* 33,675	5,610,618	741,091	712,846	* 45,908	507,835	4,105,242
Other business income	* 7	30,460	* 770	* 5,919	* 3	* 1,124	174,297
Business deductions, total [1,2]	* 30,068	4,124,048	591,870	458,697	* 60,948	595,635	3,863,563
Cost of sales and operations, total	0	99,264	* 117,704	* 31,003	* 209	* 144,361	1,342,469
Inventory, beginning of year	0	* 324	0	0	0	* 137	30,125
Cost of labor	0	* 7,395	* 8,888	* 1,396	0	* 100,551	76,333
Purchases	0	* 22,421	0	0	0	* 836	464,861
Materials and supplies	0	* 2,278	* 20,370	* 25,901	0	* 21,169	* 116,740
Other costs	0	* 66,845	* 88,446	* 3,707	* 209	* 21,862	688,427
Inventory, end of year	0	0	0	0	0	* 193	34,016
Advertising expenses	0	48,232	4,180	1,430	0	17,481	31,616
Car and truck expenses	0	888,029	71,684	145,192	* 20,087	32,395	512,306
Commissions	0	123,478	* 29,164	* 824	0	* 1,055	32,883
Contract labor	0	84,874	* 5,976	* 19,478	* 18	2,932	172,158
Depletion	0	0	0	0	* 3	* [4]	* 2,219
Depreciation	* 2,653	150,684	62,249	23,374	* 25,551	101,350	250,476
Employee benefit programs	0	* 3,599	* 867	* 4,933	* 3	* 655	2,622
Insurance	* 5,322	243,591	46,846	22,417	* 1,515	23,573	132,116
Legal and professional services	0	32,029	2,529	2,338	* 227	6,385	13,598
Meals and entertainment deducted	0	19,051	1,003	4,323	* 3,650	2,953	43,768
Mortgage interest	* 2,546	49,092	* 8,621	* 1,505	0	* 5,782	9,379
Other interest paid on business indebtedness	* 5	27,171	16,927	* 419	* 1,428	16,281	31,904
Office expenses	0	24,477	6,658	3,952	0	5,194	41,231
Pension and profit-sharing plans	0	* 79	0	* 480	* 26	0	* 534
Rent paid on machinery and equipment	* [4]	660,280	* 443	* 9,765	0	* 6,028	52,467
Rent paid on other business property	0	133,785	* 1,884	* 6,374	0	14,300	60,023
Repairs	* 2,413	188,054	30,829	15,557	* 5,561	28,061	102,403
Supplies	* [4]	60,317	8,147	7,415	* 111	19,251	62,980
Salaries and wages	* 57	124,813	73,090	* 53,673	* 217	25,532	238,787
Taxes paid	* 841	69,611	16,762	8,360	* 842	13,034	58,568
Travel	0	8,779	9,601	15,134	* 337	24,866	40,709
Utilities	* 618	77,022	8,435	7,581	* [4]	6,858	90,081
Other business deductions	* 15,612	974,596	66,601	59,510	* 1,118	88,892	524,122
Home office business deductions, total	0	* 12,280	* 1,670	* 7,924	* 44	* 8,416	9,741
Depreciation, Form 8829 [3]	0	* 911	* 26	* 255	0	* 1,676	* 174
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 484	0	* 3	0	* 1,053	0
Net income less deficit [1,2]	* 3,614	1,523,255	149,546	260,082	* -14,599	-83,664	416,012
Net income [1,2]	* 4,761	1,659,025	157,329	289,888	* 2	47,547	584,806
Deficit [2]	* -1,147	-135,770	-7,783	-29,807	* -14,601	-131,211	-168,794

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Transportation and warehousing—continued						
	Interurban and rural bus transportation	Taxi and limousine service	School, employee, and charter bus industry	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation (including motor vehicle towing)
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
BUSINESSES WITH NET INCOME							
Number of returns [1]	* 300	149,479	10,676	** 17,057	**	5,078	36,864
Business receipts, total [1]	* 13,875	5,126,887	563,351	** 560,067	**	248,484	3,138,557
Income from sales and operations [1]	* 13,867	5,096,691	562,706	** 554,914	**	248,424	2,990,138
Other business income	* 7	30,196	* 645	** 5,153	**	* 61	148,419
Business deductions, total [1,2]	* 9,113	3,467,862	406,022	** 270,177	**	200,937	2,553,751
Cost of sales and operations, total	0	* 81,512	* 35,508	** 25,824	**	* 101,537	859,886
Inventory, beginning of year	0	0	0	**	**	0	* 19,406
Cost of labor	0	* 7,395	* 8,888	** 1,060	**	* 100,088	* 43,879
Purchases	0	* 19,831	0	**	**	* 836	279,459
Materials and supplies	0	* 1,955	* 20,370	** 24,765	**	* 614	* 108,851
Other costs	0	* 52,330	* 6,251	**	**	0	432,240
Inventory, end of year	0	0	0	**	**	0	* 23,950
Advertising expenses	0	33,516	* 821	** 1,022	**	* 8,846	16,762
Car and truck expenses	0	664,861	62,384	** 42,971	**	* 18,842	341,807
Commissions	0	107,537	* 25,973	** 695	**	0	* 23,158
Contract labor	0	61,460	* 5,840	** 19,361	**	* 1,222	141,363
Depletion	0	0	0	** [4]	**	0	* 2,219
Depreciation	* 208	120,564	32,948	** 11,434	**	* 2,772	165,406
Employee benefit programs	0	* 1,895	* 771	** 4,662	**	* 587	* 2,295
Insurance	* 481	212,015	36,717	** 13,603	**	* 2,179	73,253
Legal and professional services	0	20,486	2,022	** 1,613	**	* 917	10,705
Meals and entertainment deducted	0	18,481	* 750	** 1,079	**	* 1,807	33,151
Mortgage interest	* 2,546	49,092	* 7,606	** 1,403	**	0	* 3,792
Other interest paid on business indebtedness	* 5	24,909	8,368	** 39	**	* 1,732	23,974
Office expenses	0	15,891	6,037	** 3,396	**	* 1,745	29,319
Pension and profit-sharing plans	0	* 79	0	** 479	**	0	* 382
Rent paid on machinery and equipment	* [4]	599,629	* 201	** 7,557	**	0	40,816
Rent paid on other business property	0	125,758	* 1,423	** 5,749	**	* 3,773	34,360
Repairs	* 3	172,531	27,978	** 10,926	**	* 992	69,905
Supplies	* [4]	49,556	8,123	** 6,016	**	* 2,462	41,087
Salaries and wages	* 57	* 61,375	54,830	** 38,288	**	* 1,347	143,189
Taxes paid	* 58	59,464	14,180	** 5,488	**	* 944	31,396
Travel	0	6,177	* 8,698	** 8,228	**	* 10,263	32,616
Utilities	0	67,463	6,124	** 4,600	**	* 1,917	58,056
Other business deductions	* 5,754	882,766	57,048	** 42,651	**	* 34,307	361,284
Home office business deductions, total	0	* 9,986	* 1,670	** 7,357	**	* 2,747	9,169
Depreciation, Form 8829 [3]	0	* 496	* 26	** 252	**	0	* 174
Casualty loss, Form 8829 [3]	0	0	0	**	**	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	**	**	0	0
Net income [1,2]	* 4,761	1,659,025	157,329	** 289,890	**	47,547	584,806
Returns with Schedule C-EZ:							
Number of returns	0	19,430	* 651	7,614	0	* 647	7,857
Business receipts	0	178,861	* 5,584	48,850	0	* 2,582	67,434
Business deductions	0	20,860	0	* 5,737	0	0	* 4,404
Net income	0	158,001	* 5,584	43,113	0	* 2,582	63,030

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Transportation and warehousing—continued		Information				
	Couriers and messengers	Warehousing and storage facilities	Total	Publishing industries (except internet)	Motion picture and sound recording	Broadcasting (except internet) and tele-communications	Internet publishing and broadcasting
	(71)	(72)	(73)	(74)	(75)	(76)	(77)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	175,337	7,344	365,625	75,386	103,469	51,983	4,151
Business receipts, total [1]	5,508,211	513,683	11,704,393	1,931,754	3,011,507	2,647,023	177,244
Income from sales and operations [1]	5,429,838	504,827	11,561,716	1,893,048	2,983,900	2,621,692	176,198
Other business income	* 78,374	* 8,856	142,677	38,706	27,607	25,331	* 1,046
Business deductions, total [1,2]	4,562,676	479,615	8,629,241	1,600,825	2,486,766	2,206,437	169,843
Cost of sales and operations, total	708,608	150,153	2,006,773	495,323	334,253	669,014	* 26,081
Inventory, beginning of year	* 2,838	* 11,712	177,421	92,240	36,703	7,360	* 640
Cost of labor	* 230,827	* 14,246	261,372	* 118,341	* 6,939	8,248	* 878
Purchases	* 335,630	* 128,674	1,003,667	126,267	155,442	537,565	* 23,034
Materials and supplies	* 36,756	* 68	143,181	35,741	15,707	48,672	* 2,240
Other costs	* 108,530	* 11,052	608,861	203,875	180,227	73,641	* 324
Inventory, end of year	* 5,973	* 15,599	187,728	81,139	60,765	6,474	* 1,035
Advertising expenses	11,190	1,007	252,260	25,036	64,911	37,314	9,800
Car and truck expenses	2,503,444	31,256	671,688	130,976	182,440	170,848	* 9,822
Commissions	34,177	4,271	163,288	16,819	28,467	46,320	* 6,978
Contract labor	312,138	17,692	509,213	25,391	145,841	179,661	* 4,472
Depletion	* 162	0	* 248	* 1	* 178	* 61	0
Depreciation	93,940	38,088	492,810	31,082	262,878	63,545	13,479
Employee benefit programs	* 3,126	1,134	40,251	21,031	6,773	7,876	* 969
Insurance	72,372	5,622	69,497	15,401	19,460	19,935	* 883
Legal and professional services	23,231	19,275	170,727	27,416	73,940	19,905	1,525
Meals and entertainment deducted	27,459	792	108,526	24,700	35,321	16,673	* 4,269
Mortgage interest	* 6,749	* 5,135	23,418	* 9,180	4,777	6,098	0
Other interest paid on business indebtedness	7,119	6,685	70,468	15,743	17,291	23,328	* 686
Office expenses	23,731	13,860	184,120	36,261	54,008	27,521	3,417
Pension and profit-sharing plans	* 603	* 38	7,776	* 3,358	1,901	* 1,475	0
Rent paid on machinery and equipment	50,311	4,118	99,339	5,103	22,971	31,415	* 141
Rent paid on other business property	25,478	24,068	301,886	29,046	128,075	71,852	* 7,159
Repairs	64,823	9,838	62,345	11,518	26,240	14,391	* 626
Supplies	43,499	7,512	241,774	50,392	52,023	84,576	* 6,116
Salaries and wages	83,829	29,126	595,320	167,058	148,664	168,785	* 10,663
Taxes paid	30,932	11,675	89,216	24,231	18,426	30,313	* 3,231
Travel	43,385	9,749	304,710	43,632	116,099	53,697	1,986
Utilities	56,560	10,696	248,293	39,326	76,779	51,214	6,623
Other business deductions	284,703	71,940	1,593,640	316,448	567,835	372,450	45,453
Home office business deductions, total	25,787	* 4,197	264,826	25,878	84,858	24,033	* 5,464
Depreciation, Form 8829 [3]	3,690	* 3,418	27,400	3,994	15,143	* 1,027	0
Casualty loss, Form 8829 [3]	0	0	* 6,972	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 228	0	14,245	* 1,182	* 6,740	* 63	0
Net income less deficit [1,2]	973,505	34,105	3,123,461	336,897	548,598	455,183	7,401
Net income [1,2]	1,297,384	124,630	4,278,001	568,310	1,043,912	603,072	31,199
Deficit [2]	-323,880	-90,525	-1,154,540	-231,414	-495,315	-147,889	-23,798

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Transportation and warehousing—continued		Information				
	Couriers and messengers	Warehousing and storage facilities	Total	Publishing industries (except internet)	Motion picture and sound recording	Broadcasting (except internet) and telecommunications	Internet publishing and broadcasting
	(71)	(72)	(73)	(74)	(75)	(76)	(77)
BUSINESSES WITH NET INCOME							
Number of returns [1]	137,396	4,804	243,183	52,053	59,213	34,138	2,152
Business receipts, total [1]	4,615,802	441,830	9,800,479	1,515,671	2,504,126	2,035,326	120,795
Income from sales and operations [1]	4,538,933	440,945	9,685,787	1,496,186	2,471,499	2,023,989	120,549
Other business income	* 76,870	* 885	114,691	19,486	32,627	11,336	* 246
Business deductions, total [1,2]	3,318,418	317,238	5,522,701	947,361	1,460,437	1,432,253	89,596
Cost of sales and operations, total	555,183	132,922	1,430,238	363,968	270,412	381,415	* 5,609
Inventory, beginning of year	* 2,737	* 11,712	106,577	57,526	* 11,372	* 6,843	* 640
Cost of labor	* 225,737	* 14,246	231,607	* 111,275	* 1,190	* 2,098	* 878
Purchases	* 187,856	* 112,660	673,580	109,794	138,657	* 269,860	* 2,700
Materials and supplies	* 36,523	* 68	100,040	* 26,802	* 14,164	* 47,865	* 2,102
Other costs	* 108,212	* 9,835	419,463	113,446	113,892	60,652	* 324
Inventory, end of year	* 5,882	* 15,599	101,030	54,875	8,864	* 5,903	* 1,035
Advertising expenses	8,381	* 378	157,475	14,586	46,370	28,448	* 9,280
Car and truck expenses	1,658,978	12,927	397,395	72,571	91,590	120,840	* 3,653
Commissions	* 27,893	* 3,930	140,665	8,719	23,941	* 42,389	* 6,978
Contract labor	289,435	* 16,998	394,494	10,343	114,281	166,385	* 4,054
Depletion	* 162	0	* 206	0	* 137	* 61	0
Depreciation	52,573	9,087	254,302	13,934	100,219	36,667	* 6,158
Employee benefit programs	* 2,789	* 381	28,398	16,460	* 4,457	4,545	* 554
Insurance	60,777	4,420	49,663	9,408	11,819	16,048	* 881
Legal and professional services	13,738	3,032	81,710	10,200	28,403	9,592	* 839
Meals and entertainment deducted	22,494	374	57,491	5,890	19,864	9,817	* 4,159
Mortgage interest	* 6,615	* 4,386	17,026	* 8,572	* 2,662	* 2,427	0
Other interest paid on business indebtedness	3,241	4,892	20,680	5,457	1,396	7,009	* 91
Office expenses	17,501	1,781	139,835	27,429	40,420	21,070	* 2,407
Pension and profit-sharing plans	* 603	* 38	7,692	* 3,352	* 1,823	* 1,475	0
Rent paid on machinery and equipment	39,838	1,369	66,909	2,280	14,700	14,757	* 141
Rent paid on other business property	23,027	17,762	212,664	15,387	84,882	55,868	* 6,594
Repairs	53,918	6,668	41,697	7,553	20,292	8,329	* 457
Supplies	34,489	6,875	127,994	38,518	36,513	26,030	* 745
Salaries and wages	* 74,161	17,178	400,408	90,923	108,697	115,754	* 8,623
Taxes paid	26,973	8,086	54,728	13,177	12,282	18,307	* 1,434
Travel	32,566	8,513	207,586	27,155	79,018	34,876	* 1,873
Utilities	39,187	4,513	164,768	27,424	49,483	35,289	* 3,061
Other business deductions	227,101	44,996	815,604	120,076	227,505	245,246	20,646
Home office business deductions, total	21,475	* 4,041	196,246	23,508	56,915	15,469	* 1,358
Depreciation, Form 8829 [3]	3,461	* 3,392	21,330	3,014	12,189	* 572	0
Casualty loss, Form 8829 [3]	0	0	* 210	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	* 209	* 174	0	* 34	0
Net income [1,2]	1,297,384	124,630	4,278,001	568,310	1,043,912	603,072	31,199
Returns with Schedule C-EZ:							
Number of returns	26,138	* 647	77,886	21,936	15,981	11,760	0
Business receipts	136,170	* 3,080	598,721	116,305	90,813	121,606	0
Business deductions	25,321	* 1,690	56,831	10,475	12,357	14,140	0
Net income	110,849	* 1,390	541,890	105,829	78,456	107,466	0

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Information— continued	Finance and insurance					
	Internet service providers, web search portals, and data processing	Total	Credit intermediation and related activities	Securities, commodity contracts, and other financial investments			
				Total	Investment bankers and securities dealers	Securities brokers	Commodity contracts brokers and dealers
	(78)	(79)	(80)	(81)	(82)	(83)	(84)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	130,635	693,065	72,956	178,338	5,122	17,163	4,959
Business receipts, total [1]	3,936,865	112,312,139	3,166,910	77,172,761	4,789,463	5,357,286	3,024,548
Income from sales and operations [1]	3,886,878	110,076,901	3,117,988	75,768,416	4,601,637	5,117,452	3,016,503
Other business income	49,987	2,235,238	48,922	1,404,345	187,826	239,834	8,045
Business deductions, total [1,2]	2,165,370	94,315,221	2,945,033	71,188,190	4,469,358	4,390,029	2,894,832
Cost of sales and operations, total	482,101	55,057,543	672,082	53,079,355	3,798,797	3,019,812	2,543,675
Inventory, beginning of year	40,477	512,221	102,561	332,194	* 12,848	* 14,734	* 4,304
Cost of labor	* 126,966	164,270	* 3,860	38,171	* 1,280	* 154	* 8,245
Purchases	161,359	40,861,826	372,817	40,138,179	3,205,238	2,014,302	* 2,210,021
Materials and supplies	40,820	412,182	* 56,439	308,858	* 4	* 441	* 7,359
Other costs	150,794	13,659,631	231,421	12,627,675	588,514	1,006,233	317,015
Inventory, end of year	38,315	552,587	95,015	365,722	* 9,087	* 16,053	* 3,269
Advertising expenses	115,199	1,111,422	107,596	188,764	1,701	20,581	1,848
Car and truck expenses	177,602	3,036,746	244,023	513,636	13,715	45,029	8,648
Commissions	64,705	3,250,308	128,933	1,065,834	24,088	257,931	31,885
Contract labor	153,848	945,726	108,584	498,351	37,845	65,088	13,008
Depletion	* 9	5,203	* 88	4,543	* 50	* 82	* 1
Depreciation	121,826	999,905	79,636	379,987	4,280	26,232	9,520
Employee benefit programs	3,602	216,520	6,264	51,300	2,113	5,971	* 735
Insurance	13,818	653,715	40,602	115,089	3,811	13,546	1,046
Legal and professional services	47,941	769,129	53,429	401,058	29,614	19,123	7,573
Meals and entertainment deducted	27,563	567,938	30,727	157,423	13,346	20,242	8,288
Mortgage interest	* 3,364	224,740	30,914	62,041	* 1,106	1,618	2,053
Other interest paid on business indebtedness	13,420	543,891	74,130	298,487	22,253	11,743	5,338
Office expenses	62,913	1,178,741	55,271	256,726	4,733	26,401	8,098
Pension and profit-sharing plans	* 1,042	128,599	9,272	39,652	* 1,212	5,265	* 286
Rent paid on machinery and equipment	39,709	316,196	50,017	81,081	3,329	11,870	1,069
Rent paid on other business property	65,754	1,455,536	83,217	420,106	19,894	32,725	28,466
Repairs	9,570	261,719	25,884	47,255	407	4,112	2,552
Supplies	48,665	637,614	42,086	216,321	3,501	9,242	3,448
Salaries and wages	100,151	4,494,151	170,495	1,516,890	45,293	118,283	35,404
Taxes paid	13,016	601,391	36,209	186,341	5,357	18,554	2,105
Travel	89,297	831,971	39,118	328,380	51,248	15,776	10,203
Utilities	74,350	1,085,726	109,958	206,752	10,731	22,302	4,023
Other business deductions	291,453	15,436,355	695,122	10,941,733	364,838	610,093	164,768
Home office business deductions, total	124,593	421,774	42,065	113,690	6,062	5,499	746
Depreciation, Form 8829 [3]	7,236	52,243	9,173	15,029	923	1,043	* 146
Casualty loss, Form 8829 [3]	* 6,972	* 1,088	0	* 839	* [4]	0	0
Excess—casualty depreciations, Form 8829 [3]	* 6,261	33,395	* 3,779	8,013	* 113	* 141	* 267
Net income less deficit [1,2]	1,775,383	18,004,035	229,170	5,984,021	320,069	967,341	129,923
Net income [1,2]	2,031,507	21,547,741	767,713	8,059,177	472,384	1,067,526	255,422
Deficit [2]	-256,124	-3,543,706	-538,543	-2,075,156	-152,315	-100,185	-125,499

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Information— continued	Finance and insurance					
	Internet service providers, web search portals, and data processing	Total	Credit intermediation and related activities	Securities, commodity contracts, and other financial investments			
				Total	Investment bankers and securities dealers	Securities brokers	Commodity contracts brokers and dealers
	(78)	(79)	(80)	(81)	(82)	(83)	(84)
BUSINESSES WITH NET INCOME							
Number of returns [1]	95,626	468,187	40,555	104,564	3,226	11,205	3,291
Business receipts, total [1]	3,624,561	58,566,141	2,464,387	27,205,432	1,501,529	2,138,677	2,981,175
Income from sales and operations [1]	3,573,564	56,770,318	2,432,394	26,176,417	1,315,159	2,012,885	2,967,756
Other business income	50,997	1,795,823	31,994	1,029,015	186,369	125,792	13,418
Business deductions, total [1,2]	1,593,054	37,017,881	1,697,039	19,142,237	1,029,109	1,071,196	2,725,928
Cost of sales and operations, total	408,835	13,758,208	473,110	12,249,129	* 661,277	197,528	* 2,513,002
Inventory, beginning of year	* 30,196	200,196	57,151	84,957	0	* 14,679	* 1,045
Cost of labor	* 116,167	109,804	* 18	16,463	* 1,280	0	0
Purchases	152,569	10,604,806	301,056	10,090,442	* 659,853	* 3,736	* 2,206,831
Materials and supplies	* 9,106	109,804	* 53,938	11,133	* 2	* 441	* 7,359
Other costs	131,148	2,970,546	123,123	2,148,247	* 142	* 192,746	* 298,506
Inventory, end of year	* 30,353	234,959	62,177	102,113	0	* 14,073	* 739
Advertising expenses	58,791	975,107	85,906	135,799	1,100	10,140	1,662
Car and truck expenses	108,740	2,263,876	121,477	306,763	2,441	39,396	8,287
Commissions	58,638	2,293,440	114,209	653,798	* 16,643	181,742	* 29,197
Contract labor	99,431	639,407	84,087	269,763	* 93	39,784	5,663
Depletion	* 9	1,758	* 84	1,118	* 38	* 51	0
Depreciation	97,325	643,579	35,807	175,627	2,804	22,202	6,545
Employee benefit programs	* 2,382	190,524	3,690	38,515	* 761	5,532	* 458
Insurance	11,506	534,511	18,585	77,232	1,764	12,624	495
Legal and professional services	32,677	517,766	21,074	243,297	11,903	17,653	3,345
Meals and entertainment deducted	17,760	455,863	18,451	120,095	10,771	19,308	6,524
Mortgage interest	* 3,364	113,483	11,660	14,403	* 94	* 563	* 165
Other interest paid on business indebtedness	6,727	265,266	34,835	83,972	2,247	9,826	1,734
Office expenses	48,510	962,648	28,237	175,682	2,405	21,377	6,698
Pension and profit-sharing plans	* 1,042	123,640	* 7,169	38,089	* 1,180	5,264	* 285
Rent paid on machinery and equipment	35,031	249,174	9,730	66,995	* 1,075	11,807	* 442
Rent paid on other business property	49,932	1,240,624	31,905	335,108	14,101	30,140	17,627
Repairs	5,065	210,628	11,994	32,886	197	3,938	* 2,255
Supplies	26,187	434,406	16,563	81,788	1,194	8,882	2,958
Salaries and wages	76,411	3,787,950	96,676	1,127,528	24,696	106,822	15,421
Taxes paid	9,528	495,348	21,636	138,377	3,792	16,940	1,587
Travel	64,664	587,079	21,968	223,955	36,538	14,415	7,950
Utilities	49,511	862,625	54,934	141,684	6,526	20,679	1,905
Other business deductions	202,132	5,041,823	346,525	2,308,274	221,334	266,270	91,310
Home office business deductions, total	98,996	294,005	20,088	84,966	4,101	5,405	* 365
Depreciation, Form 8829 [3]	5,555	34,216	* 3,220	10,936	* 906	1,014	* 61
Casualty loss, Form 8829 [3]	* 210	* 22	0	* 22	* [4]	0	0
Excess—casualty depreciations, Form 8829 [3]	0	4,801	* 1,810	* 1,162	* 94	* 12	0
Net income [1,2]	2,031,507	21,547,741	767,713	8,059,177	472,384	1,067,526	255,422
Returns with Schedule C-EZ:							
Number of returns	28,209	85,716	9,561	20,369	* 19	* 1,902	* 654
Business receipts	269,997	777,076	84,008	316,353	* 8,834	* 39,271	* 14,469
Business deductions	19,859	82,662	9,312	17,395	* 34	* 2,911	* 46
Net income	250,138	694,415	74,695	298,958	* 8,800	* 36,360	* 14,423

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Finance and insurance—continued					Real estate and rental and leasing	
	Securities, commodity contracts, and other financial investments—continued		Insurance agents, brokers, and related activities			Total	Real estate
	Securities and commodity exchanges	Other financial investment activities (investment advice)	Total	Insurance agencies and brokerages	Other insurance related activities		Total
	(85)	(86)	(87)	(88)	(89)	(90)	(91)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	355	150,738	441,771	338,253	103,518	1,278,868	1,217,101
Business receipts, total [1]	1,677,363	62,324,101	31,972,467	27,676,834	4,295,633	58,051,397	52,854,366
Income from sales and operations [1]	1,674,211	61,358,613	31,190,497	26,990,986	4,199,510	56,450,390	51,477,120
Other business income	* 3,152	965,489	781,971	685,848	96,123	1,601,007	1,377,246
Business deductions, total [1,2]	1,692,665	57,741,305	20,181,997	17,687,247	2,494,750	43,870,223	38,749,867
Cost of sales and operations, total	1,413,905	42,303,166	1,306,107	1,247,380	58,727	8,677,616	7,185,690
Inventory, beginning of year	* 112	300,197	77,466	73,378	* 4,088	3,137,078	2,926,624
Cost of labor	0	28,491	122,240	113,787	* 8,452	373,801	174,030
Purchases	* 1,227,017	31,481,601	350,829	336,653	14,176	4,406,571	3,691,813
Materials and supplies	* 71	300,983	46,886	32,494	* 14,392	593,659	487,905
Other costs	* 186,819	10,529,094	800,535	778,171	22,365	3,385,048	2,942,682
Inventory, end of year	* 114	337,199	91,850	87,103	* 4,747	3,218,542	3,037,364
Advertising expenses	* 520	164,114	815,062	755,483	59,579	2,104,615	2,043,034
Car and truck expenses	* 158	446,085	2,279,087	1,784,976	494,110	5,402,613	5,204,923
Commissions	* 946	750,985	2,055,541	1,838,059	217,482	2,673,098	2,639,917
Contract labor	* 6,293	376,117	338,791	279,746	59,045	1,098,261	1,025,104
Depletion	0	4,411	572	560	* 12	6,759	6,471
Depreciation	11,388	328,568	540,282	450,580	89,702	2,975,076	1,641,574
Employee benefit programs	* 19	42,463	158,955	145,751	13,204	92,041	84,977
Insurance	1,731	94,955	498,024	445,374	52,649	642,522	548,681
Legal and professional services	2,086	342,662	314,641	268,986	45,655	891,734	848,743
Meals and entertainment deducted	142	115,405	379,788	332,196	47,592	587,170	571,822
Mortgage interest	* 1,446	55,819	131,785	107,260	* 24,525	1,194,429	1,134,268
Other interest paid on business indebtedness	4,704	254,449	171,275	151,924	19,351	683,272	510,581
Office expenses	559	216,934	866,744	752,453	114,291	1,130,250	1,091,827
Pension and profit-sharing plans	* 282	32,606	79,676	73,375	6,300	26,158	25,674
Rent paid on machinery and equipment	* 25	64,788	185,098	171,829	13,269	507,601	414,685
Rent paid on other business property	* 978	338,042	952,214	868,924	83,289	1,275,456	1,076,041
Repairs	* 1,516	38,667	188,580	177,309	11,272	756,717	619,828
Supplies	94,293	105,838	379,208	337,978	41,229	827,529	740,302
Salaries and wages	* 16,610	1,301,300	2,806,766	2,677,594	129,172	1,879,639	1,574,098
Taxes paid	1,809	158,516	378,841	352,497	26,344	879,997	766,649
Travel	1,045	250,108	464,474	309,955	154,519	620,974	572,296
Utilities	1,010	168,687	769,015	685,866	83,150	1,474,866	1,379,747
Other business deductions	130,667	9,671,367	3,799,500	3,267,767	531,733	6,636,820	6,250,639
Home office business deductions, total	* 532	100,851	266,018	165,518	100,500	663,395	640,498
Depreciation, Form 8829 [3]	* 112	12,805	28,042	18,018	10,024	96,987	94,762
Casualty loss, Form 8829 [3]	0	* 839	* 250	* 193	* 57	* 258	* 258
Excess—casualty depreciations, Form 8829 [3]	* 36	7,455	21,603	13,199	8,404	95,647	95,245
Net income less deficit [1,2]	-15,302	4,581,990	11,790,845	9,989,961	1,800,883	14,272,167	14,131,187
Net income [1,2]	19,924	6,243,921	12,720,851	10,761,594	1,959,257	20,132,759	19,296,407
Deficit [2]	-35,226	-1,661,930	-930,006	-771,632	-158,374	-5,860,592	-5,165,220

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Finance and insurance—continued					Real estate and rental and leasing	
	Securities, commodity contracts, and other financial investments—continued		Insurance agents, brokers, and related activities			Total	Real estate
	Securities and commodity exchanges	Other financial investment activities (investment advice)	Total	Insurance agencies and brokerages	Other insurance related activities		Total
						Total	
(85)	(86)	(87)	(88)	(89)	(90)	(91)	
BUSINESSES WITH NET INCOME							
Number of returns [1]	32	86,810	323,068	250,486	72,582	776,962	745,158
Business receipts, total [1]	517,187	20,066,864	28,896,322	25,129,756	3,766,566	46,885,202	43,082,600
Income from sales and operations [1]	517,178	19,363,438	28,161,507	24,476,666	3,684,841	45,813,401	42,143,473
Other business income	* 10	703,425	734,815	653,090	81,725	1,071,800	939,128
Business deductions, total [1,2]	* 497,263	13,818,740	16,178,606	14,371,297	1,807,309	26,763,522	23,790,841
Cost of sales and operations, total	* 454,336	8,422,985	1,035,969	994,495	41,474	4,977,408	3,738,803
Inventory, beginning of year	0	69,233	58,087	58,086	* 1	752,335	657,331
Cost of labor	0	15,182	91,334	87,440	* 3,894	248,727	67,036
Purchases	* 327,657	6,892,365	213,308	206,637	* 6,672	2,756,719	2,120,741
Materials and supplies	* 43	3,289	44,733	32,494	* 12,238	346,365	270,231
Other costs	* 126,636	1,530,217	699,176	678,887	* 20,289	1,678,724	1,331,578
Inventory, end of year	0	87,301	70,670	69,050	* 1,620	805,463	708,114
Advertising expenses	* 86	122,811	753,402	699,567	53,835	1,578,696	1,533,123
Car and truck expenses	* 91	256,549	1,835,636	1,438,677	396,959	3,708,905	3,597,308
Commissions	* 103	426,113	1,525,433	1,356,613	168,820	1,888,156	1,877,378
Contract labor	* 5,641	218,582	285,557	231,066	54,491	753,361	706,241
Depletion	0	1,029	556	544	* 12	6,253	6,011
Depreciation	* 8,534	135,542	432,145	360,772	71,373	1,308,104	875,648
Employee benefit programs	0	31,765	148,319	135,477	12,842	44,313	39,531
Insurance	* 618	61,731	438,694	402,451	36,242	387,709	328,585
Legal and professional services	* 1,025	209,371	253,395	219,316	34,079	480,590	464,586
Meals and entertainment deducted	* 50	83,442	317,317	281,091	36,226	448,289	436,861
Mortgage interest	* 661	12,921	87,419	86,073	* 1,347	373,574	357,858
Other interest paid on business indebtedness	* 306	69,858	146,459	128,808	17,651	276,283	199,523
Office expenses	* 90	145,113	758,729	671,428	87,301	785,554	758,645
Pension and profit-sharing plans	* 16	31,344	78,382	72,311	6,070	21,580	21,418
Rent paid on machinery and equipment	* 25	53,647	172,448	161,064	11,384	356,043	293,256
Rent paid on other business property	* 296	272,944	873,611	804,035	69,576	852,352	723,191
Repairs	* 1,515	24,981	165,748	158,715	7,033	397,564	341,033
Supplies	* 439	68,314	336,056	305,783	30,272	535,879	485,335
Salaries and wages	* 8,161	972,430	2,563,746	2,447,936	115,810	1,098,132	904,438
Taxes paid	* 972	115,086	335,335	315,048	20,287	474,448	397,760
Travel	* 213	164,839	341,156	249,917	91,239	389,958	354,740
Utilities	* 517	112,056	666,007	603,301	62,707	932,593	876,584
Other business deductions	* 13,083	1,716,276	2,387,025	2,099,297	287,728	4,096,023	3,905,196
Home office business deductions, total	* 486	74,610	188,951	114,450	74,501	435,819	421,671
Depreciation, Form 8829 [3]	* 101	8,854	20,059	13,065	6,994	49,861	48,040
Casualty loss, Form 8829 [3]	0	* 22	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,056	* 1,829	* 1,435	* 394	5,451	5,451
Net income [1,2]	19,924	6,243,921	12,720,851	10,761,594	1,959,257	20,132,759	19,296,407
Returns with Schedule C-EZ:							
Number of returns	0	17,794	55,786	38,276	17,509	110,636	102,498
Business receipts	0	253,778	376,716	237,766	138,950	940,055	893,052
Business deductions	0	14,403	55,955	37,906	18,049	161,614	151,797
Net income	0	239,376	320,761	199,860	120,901	778,440	741,255

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Real estate and rental and leasing—continued							
	Real estate—continued			Rental and leasing services				
	Lessors of real estate (including miniwarehouses and self storage)	Offices of real estate agents, brokers, property managers and appraisers	Other activities related to real estate	Total	Automotive equipment rental and leasing	Consumer electronics and appliances rental	Formal wear and costume rental	Video tape and disc rental
	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)
BUSINESSES WITH AND WITHOUT NET INCOME								
Number of returns [1]	38,603	933,828	244,670	61,767	15,480	* 1,313	* 120	4,838
Business receipts, total [1]	1,899,159	39,199,345	11,755,862	5,197,031	783,258	* 22,035	* 62,724	535,595
Income from sales and operations [1]	1,810,290	38,365,515	11,301,315	4,973,270	774,132	* 22,035	* 62,669	534,336
Other business income	88,869	833,830	454,547	223,761	9,126	0	* 55	* 1,259
Business deductions, total [1,2]	2,035,271	25,933,546	10,781,050	5,120,357	790,047	* 4,372	* 56,595	499,540
Cost of sales and operations, total	158,051	2,799,398	4,228,241	1,491,926	286,619	0	* 19,513	168,757
Inventory, beginning of year	225,853	644,774	2,055,997	210,454	* 15,664	0	0	53,675
Cost of labor	* 2,279	104,021	67,730	199,772	* 13,928	0	0	* 678
Purchases	54,591	1,140,884	2,496,338	714,758	* 195,876	0	* 19,513	149,733
Materials and supplies	17,814	235,902	234,189	105,754	* 2,084	0	0	* 3,416
Other costs	92,001	1,375,383	1,475,298	442,366	72,919	0	0	* 203
Inventory, end of year	234,486	701,566	2,101,312	181,178	* 13,853	0	0	38,948
Advertising expenses	34,832	1,727,784	280,418	61,580	4,830	0	* 1,767	5,102
Car and truck expenses	65,578	4,294,234	845,111	197,689	52,393	* 1,711	* 427	22,925
Commissions	43,951	2,313,089	282,877	33,182	7,993	0	0	* 157
Contract labor	65,889	813,642	145,573	73,157	8,620	0	0	* 145
Depletion	* 274	1,344	4,854	288	* 123	0	0	0
Depreciation	308,134	938,202	395,238	1,333,503	220,274	0	* 6,538	14,103
Employee benefit programs	6,176	57,762	21,039	7,064	* 317	0	0	* 198
Insurance	59,659	382,372	106,650	93,841	13,969	0	* 814	5,163
Legal and professional services	47,112	604,767	196,864	42,991	6,807	* 81	* 333	2,025
Meals and entertainment deducted	9,099	471,790	90,933	15,348	1,379	* 1,829	* 192	* 156
Mortgage interest	376,941	404,668	352,659	60,161	9,394	0	0	* 3,861
Other interest paid on business indebtedness	55,003	238,153	217,425	172,691	26,169	0	* 394	* 1,760
Office expenses	23,404	914,058	154,365	38,423	1,430	* 5	* 99	4,716
Pension and profit-sharing plans	308	19,503	5,863	483	* 92	0	0	0
Rent paid on machinery and equipment	19,849	336,714	58,122	92,917	11,803	0	0	* 1,540
Rent paid on other business property	33,896	750,333	291,812	199,415	17,115	0	* 8,222	53,913
Repairs	101,673	365,704	152,451	136,889	9,236	0	* 245	7,072
Supplies	27,990	564,659	147,653	87,227	4,945	0	* 858	4,401
Salaries and wages	93,727	924,658	555,713	305,541	38,386	0	* 9,943	83,040
Taxes paid	127,042	459,035	180,572	113,348	4,123	0	* 2,690	24,021
Travel	15,538	396,423	160,335	48,678	1,083	0	* 581	* 1,871
Utilities	110,513	1,026,920	242,314	95,120	6,907	0	* 1,873	26,481
Other business deductions	224,261	4,500,388	1,525,990	386,181	47,000	0	* 2,106	66,345
Home office business deductions, total	21,402	514,000	105,096	22,897	* 1,634	0	0	* 1,789
Depreciation, Form 8829 [3]	1,960	77,523	15,279	2,224	* 202	0	0	* 51
Casualty loss, Form 8829 [3]	0	* 256	* 1	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 9,885	75,754	9,606	* 402	0	0	0	0
Net income less deficit [1,2]	-131,636	13,330,418	932,405	140,980	487	* 17,663	* 6,129	36,055
Net income [1,2]	314,198	16,010,274	2,971,936	836,352	76,854	* 17,663	* 7,477	61,065
Deficit [2]	-445,834	-2,679,855	-2,039,531	-695,372	-76,367	0	* -1,348	* -20,011

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Real estate and rental and leasing—continued							
	Real estate—continued			Rental and leasing services				
	Lessors of real estate (including miniwarehouses and self storage)	Offices of real estate agents, brokers, property managers and appraisers	Other activities related to real estate	Total	Automotive equipment rental and leasing	Consumer electronics and appliances rental	Formal wear and costume rental	Video tape and disc rental
	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)
BUSINESSES WITH NET INCOME								
Number of returns [1]	16,366	595,833	132,959	31,804	9,577	* 1,313	* 79	2,325
Business receipts, total [1]	1,063,194	34,435,160	7,584,247	3,802,601	501,922	* 22,035	* 61,725	420,238
Income from sales and operations [1]	998,446	33,823,020	7,322,007	3,669,929	501,714	* 22,035	* 61,675	420,201
Other business income	64,748	612,140	262,240	132,672	* 209	0	* 50	* 37
Business deductions, total [1,2]	748,645	18,429,121	4,613,075	2,972,680	431,784	* 4,372	* 54,249	359,173
Cost of sales and operations, total	23,376	2,011,386	1,704,041	1,238,604	* 186,409	0	* 19,513	* 113,860
Inventory, beginning of year	* 10,962	268,304	378,066	95,004	* 1,828	0	0	* 25,845
Cost of labor	* 49	59,140	7,847	181,691	* 127	0	0	* 678
Purchases	3,250	997,414	1,120,077	635,978	* 184,859	0	* 19,513	* 112,904
Materials and supplies	* 16,780	187,995	65,455	76,134	* 729	0	0	0
Other costs	6,509	797,968	527,102	347,146	* 966	0	0	* 203
Inventory, end of year	* 14,174	299,434	394,506	97,349	* 2,099	0	0	* 25,769
Advertising expenses	17,083	1,390,488	125,553	45,573	* 1,147	0	* 1,767	4,098
Car and truck expenses	29,646	3,153,033	414,629	111,597	36,903	* 1,711	* 427	11,625
Commissions	37,014	1,671,663	168,700	10,778	* 1,638	0	0	* 67
Contract labor	29,191	582,980	94,070	47,120	* 68	0	0	* 116
Depletion	* 21	1,322	4,668	* 242	* 111	0	0	0
Depreciation	130,287	583,553	161,808	432,456	95,974	0	* 6,166	* 9,304
Employee benefit programs	* 1,516	27,280	10,734	4,782	* 121	0	0	* 198
Insurance	25,685	253,270	49,631	59,124	9,377	0	* 727	* 4,463
Legal and professional services	8,602	384,745	71,239	16,004	1,076	* 81	* 155	1,375
Meals and entertainment deducted	7,046	374,393	55,423	11,428	* 742	* 1,829	* 192	* 93
Mortgage interest	117,469	168,750	71,639	15,716	* 6,898	0	0	* 534
Other interest paid on business indebtedness	13,663	118,601	67,258	76,759	9,071	0	* 394	* 958
Office expenses	9,835	656,700	92,111	26,909	339	* 5	* 99	3,798
Pension and profit-sharing plans	* 261	18,376	2,781	* 162	0	0	0	0
Rent paid on machinery and equipment	12,496	256,619	24,141	62,786	* 5,865	0	0	* 1,540
Rent paid on other business property	10,552	567,998	144,641	129,161	* 298	0	* 7,249	* 41,947
Repairs	34,598	260,190	46,245	56,531	4,245	0	* 177	5,971
Supplies	11,255	408,165	65,915	50,544	* 2,030	0	* 462	4,270
Salaries and wages	27,844	629,711	246,884	193,693	* 28,971	0	* 9,943	* 63,541
Taxes paid	62,680	270,593	64,486	76,688	799	0	* 2,675	* 13,974
Travel	4,318	267,102	83,320	35,218	* 401	0	* 581	* 1,691
Utilities	55,615	720,778	100,191	56,009	604	0	* 1,659	15,973
Other business deductions	61,177	3,180,481	663,538	190,827	30,328	0	* 2,065	57,987
Home office business deductions, total	13,150	359,387	49,134	14,147	* 965	0	0	* 1,789
Depreciation, Form 8829 [3]	* 442	42,543	5,056	* 1,821	* 201	0	0	* 51
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	5,444	* 8	0	0	0	0	0
Net income [1,2]	314,198	16,010,274	2,971,936	836,352	76,854	* 17,663	* 7,477	61,065
Returns with Schedule C-EZ:								
Number of returns	5,960	67,241	29,298	8,138	4,003	* 656	0	0
Business receipts	38,494	547,848	306,710	47,003	14,399	* 1,039	0	0
Business deductions	1,2 4,968	113,945	32,883	9,818	* 7,403	* 746	0	0
Net income	33,526	433,902	273,827	37,185	6,996	* 293	0	0

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Real estate and rental and leasing—continued		Professional, scientific, and technical services				
	Rental and leasing services—continued		Total	Legal services	Offices of certified public accountants	Other accounting services	Architectural, engineering, and related services
	General rental centers and other consumer goods rental	Commercial and industrial machinery and equipment rental and leasing					Total
	(100)	(101)	(102)	(103)	(104)	(105)	(106)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	22,082	17,935	3,218,914	378,111	45,107	312,490	255,667
Business receipts, total [1]	1,709,253	2,084,166	172,025,851	41,048,470	4,591,731	8,564,857	15,040,113
Income from sales and operations [1]	1,626,813	1,953,285	168,621,684	40,809,897	4,338,722	8,356,847	14,800,924
Other business income	82,440	130,881	3,404,167	238,572	253,010	208,010	239,189
Business deductions, total [1,2]	1,498,564	2,271,238	97,825,954	22,649,232	2,631,091	5,212,384	9,866,012
Cost of sales and operations, total	647,482	369,555	19,038,941	1,771,135	14,688	322,163	2,556,624
Inventory, beginning of year	* 48,485	92,630	1,005,153	40,228	* 10,581	30,979	59,823
Cost of labor	* 98,749	86,416	2,115,370	123,948	* 2,172	250,772	489,982
Purchases	261,893	87,743	7,643,043	111,622	* 12,623	13,592	545,960
Materials and supplies	* 40,651	59,602	3,031,001	45,031	0	6,576	862,105
Other costs	247,756	121,488	6,245,104	1,504,933	1,906	38,124	678,324
Inventory, end of year	* 50,051	78,325	1,000,729	54,627	* 12,594	* 17,881	79,569
Advertising expenses	40,441	9,441	2,340,276	904,174	28,984	95,944	115,491
Car and truck expenses	71,726	48,508	7,750,926	1,143,394	153,515	578,186	779,367
Commissions	8,492	16,539	1,379,538	214,245	* 1,567	171,749	62,198
Contract labor	20,928	43,464	4,477,462	733,553	103,165	205,044	541,485
Depletion	0	* 164	15,147	4,273	* 309	* 51	* 1,946
Depreciation	193,587	899,000	3,885,737	503,234	110,767	272,395	433,085
Employee benefit programs	2,942	3,607	615,828	215,376	52,826	37,070	95,141
Insurance	21,846	52,049	1,567,345	575,856	68,470	78,332	266,785
Legal and professional services	13,063	20,683	2,773,736	830,397	44,235	104,214	231,305
Meals and entertainment deducted	4,606	7,184	1,274,341	227,510	27,397	78,003	72,551
Mortgage interest	12,358	34,548	453,730	110,216	25,168	42,034	18,059
Other interest paid on business indebtedness	22,154	122,214	828,987	174,802	27,504	94,986	59,795
Office expenses	12,859	19,315	3,045,948	1,131,199	141,260	222,819	223,599
Pension and profit-sharing plans	* 100	291	310,754	135,936	23,482	18,437	33,581
Rent paid on machinery and equipment	18,244	61,330	1,015,291	243,263	26,443	71,599	125,265
Rent paid on other business property	64,576	55,588	3,998,108	1,697,704	178,217	275,978	275,297
Repairs	30,302	90,033	855,697	180,315	41,439	68,306	128,919
Supplies	48,285	28,738	2,827,517	403,102	42,380	167,140	353,303
Salaries and wages	72,567	101,604	11,429,802	4,476,395	771,274	720,300	1,327,565
Taxes paid	46,427	36,086	1,800,336	568,055	83,391	123,635	215,199
Travel	12,939	32,205	3,734,892	397,956	32,260	120,865	223,297
Utilities	32,751	27,108	3,140,558	796,581	109,216	234,200	254,178
Other business deductions	85,861	184,869	15,794,243	4,940,306	469,602	874,878	1,192,865
Home office business deductions, total	12,608	6,866	2,928,192	223,575	38,273	171,771	250,497
Depreciation, Form 8829 [3]	* 1,398	* 573	503,181	36,374	5,844	24,906	29,098
Casualty loss, Form 8829 [3]	0	0	10,219	* 12	0	* 28	* 788
Excess—casualty depreciations, Form 8829 [3]	0	* 402	431,428	19,795	* 1,185	17,992	24,877
Net income less deficit [1,2]	217,513	-136,866	74,301,434	18,404,926	1,960,640	3,389,912	5,187,363
Net income [1,2]	364,933	308,361	80,645,299	19,039,652	2,006,263	3,721,592	5,673,583
Deficit [2]	-147,419	-445,227	-6,343,865	-634,726	-45,623	-331,680	-486,221

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Real estate and rental and leasing—continued		Professional, scientific, and technical services				
	Rental and leasing services—continued		Total	Legal services	Offices of certified public accountants	Other accounting services	Architectural, engineering, and related services
	General rental centers and other consumer goods rental	Commercial and industrial machinery and equipment rental and leasing					Total
	(100)	(101)	(102)	(103)	(104)	(105)	(106)
BUSINESSES WITH NET INCOME							
Number of returns [1]	10,621	7,890	2,381,482	302,390	35,730	253,952	194,522
Business receipts, total [1]	1,517,459	1,279,221	158,908,361	39,527,283	4,456,821	8,097,016	13,609,539
Income from sales and operations [1]	1,444,828	1,219,475	155,770,381	39,303,408	4,205,321	7,921,088	13,373,361
Other business income	* 72,631	59,746	3,137,980	223,875	251,500	175,928	236,178
Business deductions, total [1,2]	1,152,526	970,576	78,269,442	20,487,671	2,450,558	4,375,424	7,936,065
Cost of sales and operations, total	621,788	297,034	15,969,886	1,694,356	12,920	300,335	2,232,052
Inventory, beginning of year	* 28,400	38,930	579,915	39,879	* 10,581	* 21,012	27,848
Cost of labor	* 96,886	84,001	1,753,912	121,580	* 988	250,772	394,061
Purchases	* 248,434	70,268	6,471,078	103,795	* 12,600	6,056	430,389
Materials and supplies	* 38,759	36,647	2,488,475	44,483	0	* 3,261	780,395
Other costs	* 241,835	104,142	5,207,377	1,436,567	1,346	36,712	638,045
Inventory, end of year	* 32,526	* 36,954	530,872	51,948	* 12,594	* 17,479	38,687
Advertising expenses	32,569	5,992	1,852,818	836,944	23,031	80,978	90,565
Car and truck expenses	41,619	19,312	5,716,314	951,244	139,838	415,539	598,614
Commissions	* 130	8,944	1,155,129	185,349	* 1,175	160,539	59,657
Contract labor	17,804	29,131	3,685,935	639,668	98,572	189,317	429,619
Depletion	0	* 131	11,557	3,950	* 309	* 33	* 1,376
Depreciation	88,210	232,802	2,765,074	450,018	93,054	226,036	331,523
Employee benefit programs	* 2,523	1,940	530,495	204,614	51,143	32,870	84,717
Insurance	15,308	29,249	1,292,257	513,772	65,655	67,048	216,103
Legal and professional services	4,439	8,879	2,185,209	749,294	36,898	85,016	193,478
Meals and entertainment deducted	3,691	4,881	992,047	192,026	26,251	67,023	57,321
Mortgage interest	* 5,025	3,259	289,897	94,746	25,168	34,145	11,465
Other interest paid on business indebtedness	16,633	49,704	575,019	150,281	23,943	67,390	42,872
Office expenses	5,998	16,670	2,476,657	1,031,867	130,982	169,396	172,065
Pension and profit-sharing plans	* 100	* 62	293,347	131,739	23,388	16,158	29,349
Rent paid on machinery and equipment	* 14,437	40,944	762,485	215,822	25,715	54,088	70,617
Rent paid on other business property	43,513	36,153	3,279,390	1,573,548	153,908	228,150	210,257
Repairs	16,959	29,179	621,371	145,595	36,700	52,927	94,707
Supplies	31,300	12,482	2,045,463	339,615	37,075	122,143	267,695
Salaries and wages	51,132	40,107	9,765,548	4,135,301	744,848	657,794	1,078,337
Taxes paid	40,831	18,409	1,529,746	521,320	79,775	115,992	174,450
Travel	10,435	22,111	3,035,633	325,569	30,618	105,188	200,049
Utilities	22,964	14,810	2,427,114	700,183	98,618	195,340	197,253
Other business deductions	54,211	46,236	12,197,448	4,457,127	439,230	730,814	863,403
Home office business deductions, total	* 9,487	* 1,906	2,273,253	197,122	36,485	139,598	199,902
Depreciation, Form 8829 [3]	* 1,398	* 171	385,476	24,571	5,370	17,754	20,217
Casualty loss, Form 8829 [3]	0	0	3,004	* 12	0	0	* 754
Excess—casualty depreciations, Form 8829 [3]	0	0	42,490	* 23	0	* 99	* 4,023
Net income [1,2]	364,933	308,361	80,645,299	19,039,652	2,006,263	3,721,592	5,673,583
Returns with Schedule C-EZ:							
Number of returns	* 3,138	342	530,687	53,020	6,039	65,995	37,266
Business receipts	* 17,923	* 13,643	5,818,248	886,100	41,186	413,189	353,256
Business deductions	* 1,420	* 249	542,622	46,679	15,260	62,284	28,616
Net income	* 16,502	* 13,394	5,275,627	839,421	25,926	350,905	324,640

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Professional, scientific, and technical services—continued						
	Architectural, engineering, and related services—continued					Specialized design services	Computer systems design services
	Architectural services	Engineering services	Drafting, building inspections, and geophysical surveying	Surveying and mapping (except geophysical) services	Testing laboratories		
	(107)	(108)	(109)	(110)	(111)	(112)	(113)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	99,590	95,894	42,017	14,353	3,812	250,692	240,391
Business receipts, total [1]	6,863,719	5,508,512	1,617,661	678,569	371,653	8,897,310	9,992,920
Income from sales and operations [1]	6,797,507	5,340,755	1,614,410	678,397	369,854	8,722,089	9,847,066
Other business income	66,212	167,757	* 3,251	* 172	* 1,798	175,221	145,854
Business deductions, total [1,2]	5,099,323	3,315,879	710,402	449,109	291,299	6,731,157	5,968,188
Cost of sales and operations, total	1,506,123	838,446	64,567	* 20,558	* 126,929	3,312,622	1,882,465
Inventory, beginning of year	39,156	14,864	* 1,443	0	* 4,360	292,412	78,477
Cost of labor	334,344	95,776	* 52,712	* 6,611	* 539	236,300	243,047
Purchases	289,560	181,539	* 2,020	* 4,678	* 68,163	2,021,548	1,020,274
Materials and supplies	621,430	201,213	* 3,228	* 4,420	* 31,815	678,236	206,935
Other costs	267,277	369,239	* 6,338	* 4,850	* 30,619	302,920	429,458
Inventory, end of year	45,644	24,185	* 1,174	0	* 8,567	218,793	95,727
Advertising expenses	54,328	45,027	9,773	4,185	* 2,178	138,032	172,298
Car and truck expenses	318,663	253,223	137,645	62,664	* 7,172	431,531	558,378
Commissions	24,861	35,334	* 1,658	* 326	* 18	67,628	36,539
Contract labor	278,774	128,548	76,302	* 54,095	* 3,766	172,411	398,621
Depletion	0	* 1,943	* 3	0	0	* 324	* 267
Depreciation	193,772	164,110	29,821	34,898	10,484	239,779	241,828
Employee benefit programs	26,255	40,623	* 17,928	* 8,730	* 1,605	11,860	30,676
Insurance	145,371	79,772	22,141	15,255	* 4,246	41,203	50,391
Legal and professional services	148,947	61,440	10,162	4,409	6,346	107,282	114,723
Meals and entertainment deducted	22,821	36,131	10,403	2,235	* 960	61,923	69,881
Mortgage interest	8,610	5,707	* 2,259	* 1,050	* 433	8,167	44,799
Other interest paid on business indebtedness	25,685	23,016	3,669	* 2,678	* 4,747	55,676	30,563
Office expenses	99,906	90,635	18,568	10,491	3,999	142,186	125,568
Pension and profit-sharing plans	18,239	14,417	* 18	* 875	* 33	* 2,777	10,302
Rent paid on machinery and equipment	74,298	39,555	* 1,830	* 9,520	* 63	56,465	59,262
Rent paid on other business property	133,778	91,798	19,088	21,914	8,718	174,746	161,548
Repairs	66,184	41,805	9,380	5,796	5,754	40,987	41,090
Supplies	218,744	83,776	34,605	8,624	7,554	244,757	176,807
Salaries and wages	682,309	457,427	41,326	104,335	* 42,168	215,548	440,254
Taxes paid	107,404	72,143	9,535	13,518	12,600	79,732	72,562
Travel	72,164	138,988	5,902	* 4,166	* 2,078	111,282	178,064
Utilities	129,381	73,143	32,512	12,140	7,001	159,379	170,495
Other business deductions	657,272	368,502	116,028	22,222	28,842	567,819	638,855
Home office business deductions, total	76,961	119,562	30,298	20,745	* 2,932	241,024	228,251
Depreciation, Form 8829 [3]	9,716	11,395	4,037	* 3,562	* 388	30,954	31,771
Casualty loss, Form 8829 [3]	* 23	* 765	0	0	0	* 161	* 373
Excess—casualty depreciations, Form 8829 [3]	* 4,743	11,593	* 871	* 6,530	* 1,140	28,527	13,462
Net income less deficit [1,2]	1,764,504	2,205,786	907,259	229,460	80,354	2,176,040	4,024,778
Net income [1,2]	2,009,016	2,378,400	949,800	250,233	86,134	2,675,052	4,488,596
Deficit [2]	-244,512	-172,615	-42,541	* -20,773	* -5,780	-499,013	-463,818

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Professional, scientific, and technical services—continued						
	Architectural, engineering, and related services—continued					Specialized design services	Computer systems design services
	Architectural services	Engineering services	Drafting, building inspections, and geophysical surveying	Surveying and mapping (except geophysical) services	Testing laboratories		
	(107)	(108)	(109)	(110)	(111)	(112)	(113)
BUSINESSES WITH NET INCOME							
Number of returns [1]	71,265	76,339	32,091	12,552	2,275	171,345	178,237
Business receipts, total [1]	5,868,175	5,191,342	1,530,041	660,178	359,804	7,640,817	9,287,681
Income from sales and operations [1]	5,803,242	5,025,195	1,526,791	660,128	358,005	7,515,990	9,140,038
Other business income	64,932	166,146	* 3,251	* 50	* 1,798	124,827	147,643
Business deductions, total [1,2]	3,859,267	2,812,941	580,241	409,945	273,670	4,965,791	4,799,085
Cost of sales and operations, total	1,215,926	806,025	63,548	* 20,558	* 125,993	2,795,378	1,662,768
Inventory, beginning of year	* 13,287	14,128	* 59	0	* 373	140,779	29,261
Cost of labor	240,163	94,037	* 52,712	* 6,611	* 539	205,535	240,072
Purchases	192,213	164,453	* 1,383	* 4,678	* 67,661	1,693,733	852,806
Materials and supplies	550,674	190,342	* 3,228	* 4,420	* 31,732	575,461	174,277
Other costs	239,362	356,924	* 6,338	* 4,850	* 30,572	249,378	404,897
Inventory, end of year	* 19,773	13,859	* 172	0	* 4,883	69,508	38,544
Advertising expenses	40,173	35,037	9,182	4,185	* 1,988	94,383	137,394
Car and truck expenses	219,692	214,050	111,907	47,860	* 5,103	278,421	441,568
Commissions	23,973	35,061	* 278	* 326	* 18	35,209	34,232
Contract labor	193,489	105,310	74,708	* 54,095	* 2,017	115,291	307,469
Depletion	0	* 1,373	* 3	0	0	* 1	* 16
Depreciation	133,317	131,454	23,291	34,120	* 9,341	136,218	166,680
Employee benefit programs	22,324	35,260	* 16,799	* 8,730	* 1,605	7,739	23,772
Insurance	110,775	67,167	18,662	15,255	* 4,244	31,202	35,835
Legal and professional services	132,335	41,670	9,011	4,117	6,344	64,792	87,871
Meals and entertainment deducted	15,487	31,749	8,865	260	* 960	38,001	56,152
Mortgage interest	5,730	2,715	* 1,970	* 1,050	0	3,084	* 10,685
Other interest paid on business indebtedness	16,934	14,965	* 3,547	* 2,678	* 4,747	25,443	24,510
Office expenses	73,775	71,360	12,583	10,350	* 3,997	100,063	81,252
Pension and profit-sharing plans	15,347	13,077	* 18	* 875	* 33	* 2,610	9,939
Rent paid on machinery and equipment	29,473	29,732	* 1,830	* 9,520	* 62	24,261	46,343
Rent paid on other business property	103,136	67,844	19,088	* 14,193	* 5,996	99,622	129,129
Repairs	48,254	28,746	6,982	5,118	* 5,607	18,531	21,708
Supplies	162,743	64,034	27,587	8,574	* 4,758	118,068	123,334
Salaries and wages	530,726	367,800	* 33,308	104,335	* 42,168	165,084	333,263
Taxes paid	78,424	62,525	7,531	13,465	12,505	64,383	60,251
Travel	60,913	128,692	4,452	* 4,166	* 1,827	82,759	138,677
Utilities	96,130	57,951	25,602	12,018	5,553	100,418	124,495
Other business deductions	465,901	285,140	65,990	19,247	27,124	338,531	505,988
Home office business deductions, total	55,814	103,393	28,518	* 11,172	* 1,006	181,143	202,053
Depreciation, Form 8829 [3]	8,527	6,881	3,627	* 1,181	0	20,375	22,335
Casualty loss, Form 8829 [3]	* 9	* 744	0	0	0	* 161	* 373
Excess—casualty depreciations, Form 8829 [3]	0	* 3,562	* 460	0	0	* 1,196	* 603
Net income [1,2]	2,009,016	2,378,400	949,800	250,233	86,134	2,675,052	4,488,596
Returns with Schedule C-EZ:							
Number of returns	9,064	21,273	* 2,583	* 3,406	* 941	48,202	41,632
Business receipts	71,810	199,113	* 56,170	* 16,755	* 9,408	304,851	419,066
Business deductions	8,475	10,810	* 4,982	* 3,677	* 673	46,016	33,700
Net income	63,334	188,303	* 51,188	* 13,079	* 8,736	258,835	385,365

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Professional, scientific, and technical services—continued						Administrative and support and waste management and remediation services
	Other professional, scientific, and technical services						
	Total	Management, scientific, and technical consulting services	Scientific research and development services	Advertising and related services	Market research and public opinion polling	Other miscellaneous services	Total
	(114)	(115)	(116)	(117)	(118)	(119)	(120)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	1,736,456	950,327	32,799	120,600	29,687	603,043	2,302,805
Business receipts, total [1]	83,890,449	47,388,860	1,179,505	7,650,421	979,162	26,692,501	61,449,597
Income from sales and operations [1]	81,746,138	45,568,532	1,173,454	7,578,204	976,935	26,449,013	60,240,329
Other business income	2,144,311	1,820,328	6,051	72,217	* 2,227	243,488	1,209,268
Business deductions, total [1,2]	44,767,890	20,771,451	721,909	5,715,806	569,069	16,989,654	44,496,736
Cost of sales and operations, total	9,179,244	2,621,590	123,534	2,405,962	160,948	3,867,210	11,135,157
Inventory, beginning of year	492,653	172,888	* 3,000	40,222	* 3,660	272,884	504,532
Cost of labor	769,149	299,926	* 17,045	100,381	0	351,798	2,361,402
Purchases	3,917,423	875,877	* 44,574	1,105,157	* 4,064	1,887,752	3,891,855
Materials and supplies	1,232,117	413,111	* 25,455	308,922	* 39,341	445,287	2,631,083
Other costs	3,289,438	1,055,432	33,461	914,495	* 118,785	1,167,266	2,215,355
Inventory, end of year	521,538	195,644	0	63,215	* 4,902	257,777	469,070
Advertising expenses	885,354	315,660	7,544	219,727	17,516	324,908	721,165
Car and truck expenses	4,106,555	2,264,755	54,000	326,042	23,737	1,438,021	6,241,581
Commissions	825,612	445,565	* 8,874	161,806	* 2,534	206,833	406,899
Contract labor	2,323,183	1,440,947	19,569	218,359	16,225	628,082	2,544,775
Depletion	7,977	5,533	* 7	* 46	0	2,392	7,736
Depreciation	2,084,650	933,170	39,770	160,448	9,893	941,368	2,553,068
Employee benefit programs	172,878	62,066	6,827	8,305	* 8,934	86,746	114,861
Insurance	486,307	208,831	5,469	34,850	4,647	232,510	1,066,445
Legal and professional services	1,341,580	890,176	27,217	94,769	11,193	318,225	527,442
Meals and entertainment deducted	737,075	479,957	12,870	55,495	7,778	180,976	321,615
Mortgage interest	205,288	112,004	* 2,556	8,809	* 5,742	76,177	160,816
Other interest paid on business indebtedness	385,660	176,045	9,763	77,640	* 3,525	118,687	319,563
Office expenses	1,059,317	582,620	19,281	58,933	13,427	385,056	718,445
Pension and profit-sharing plans	86,238	41,727	* 2,747	1,285	* 5,607	34,872	31,850
Rent paid on machinery and equipment	432,993	232,025	2,392	31,775	* 14,343	152,458	415,531
Rent paid on other business property	1,234,619	556,595	23,896	94,710	10,861	548,557	824,253
Repairs	354,642	145,444	6,479	31,455	3,228	168,036	892,368
Supplies	1,440,028	593,628	13,413	122,640	9,527	700,819	2,045,424
Salaries and wages	3,478,466	1,223,117	89,157	216,721	70,237	1,879,235	4,375,635
Taxes paid	657,761	239,920	11,245	51,661	13,043	341,892	774,844
Travel	2,671,169	1,860,585	36,209	143,674	21,339	609,361	599,352
Utilities	1,416,509	733,129	17,554	129,353	20,406	516,066	1,054,412
Other business deductions	7,109,917	3,399,601	140,054	844,344	111,165	2,614,752	5,378,369
Home office business deductions, total	1,774,802	1,031,443	34,623	202,284	* 2,940	503,511	750,653
Depreciation, Form 8829 [3]	344,234	149,705	4,436	19,521	* 427	170,146	81,139
Casualty loss, Form 8829 [3]	8,857	2,142	0	* 776	0	* 5,939	* 3,935
Excess—casualty depreciations, Form 8829 [3]	325,591	235,004	* 2,266	16,456	* 15	71,849	43,523
Net income less deficit [1,2]	39,157,776	26,632,700	461,188	1,936,608	410,210	9,717,070	16,957,186
Net income [1,2]	43,040,561	28,759,033	601,569	2,203,234	457,006	11,019,719	20,352,614
Deficit [2]	-3,882,785	-2,126,333	-140,381	-266,626	-46,796	-1,302,649	-3,395,429

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Professional, scientific, and technical services—continued						Administrative and support and waste management and remediation services
	Other professional, scientific, and technical services						
	Total	Management, scientific, and technical consulting services	Scientific research and development services	Advertising and related services	Market research and public opinion polling	Other miscellaneous services	Total
	(114)	(115)	(116)	(117)	(118)	(119)	(120)
BUSINESSES WITH NET INCOME							
Number of returns [1]	1,245,306	680,319	23,233	90,630	18,612	432,511	1,834,717
Business receipts, total [1]	76,289,203	43,593,208	1,006,501	6,977,588	946,689	23,765,218	53,790,774
Income from sales and operations [1]	74,311,174	42,101,477	1,001,280	6,908,622	944,565	23,355,230	52,752,327
Other business income	1,978,029	1,491,731	5,221	68,966	* 2,124	409,988	1,038,447
Business deductions, total [1,2]	33,254,849	14,838,201	404,932	4,776,109	489,683	12,745,924	33,432,549
Cost of sales and operations, total	7,272,076	1,940,854	76,734	2,110,486	* 159,295	2,984,707	8,986,291
Inventory, beginning of year	310,556	93,642	0	38,285	* 852	177,776	327,554
Cost of labor	540,903	279,190	* 17,045	26,121	0	218,547	1,881,249
Purchases	3,371,700	620,432	* 30,697	1,071,231	* 1,767	1,647,573	3,150,317
Materials and supplies	910,597	293,893	* 12,881	213,886	* 38,660	351,278	2,232,643
Other costs	2,440,432	755,195	16,112	800,779	* 118,785	749,561	1,684,925
Inventory, end of year	302,112	101,499	0	39,816	* 769	160,028	290,396
Advertising expenses	589,522	186,225	3,785	166,705	12,706	220,101	500,675
Car and truck expenses	2,891,091	1,509,166	25,515	241,620	7,806	1,106,985	4,558,127
Commissions	678,967	349,413	* 4,303	159,217	* 2,021	164,013	325,425
Contract labor	1,905,999	1,176,898	3,937	203,039	* 7,692	514,433	2,100,493
Depletion	5,873	3,938	* 7	* 46	0	1,883	2,832
Depreciation	1,361,546	632,355	30,203	127,411	5,095	566,481	1,677,715
Employee benefit programs	125,640	32,492	* 4,496	7,180	* 8,934	72,538	81,556
Insurance	362,641	152,352	2,968	26,735	4,575	176,011	790,307
Legal and professional services	967,860	612,587	14,493	83,293	10,332	247,156	321,579
Meals and entertainment deducted	555,272	368,189	7,455	38,681	7,138	133,809	232,870
Mortgage interest	110,602	47,819	* 160	8,017	* 5,742	48,865	97,072
Other interest paid on business indebtedness	240,581	75,223	* 708	72,276	* 447	91,926	214,905
Office expenses	791,031	422,175	15,046	46,956	11,743	295,111	521,181
Pension and profit-sharing plans	80,163	38,306	* 2,401	1,268	* 5,607	32,581	21,083
Rent paid on machinery and equipment	325,639	160,814	* 2,192	25,659	* 14,211	122,763	275,198
Rent paid on other business property	884,775	364,110	13,535	88,272	10,448	408,410	594,383
Repairs	251,202	102,702	3,538	18,264	2,470	124,228	605,564
Supplies	1,037,532	426,371	8,654	65,980	6,667	529,861	1,474,616
Salaries and wages	2,650,922	791,990	39,023	193,446	68,084	1,558,379	3,429,525
Taxes paid	513,575	173,264	6,087	47,590	12,273	274,361	595,785
Travel	2,152,772	1,516,346	23,156	102,084	19,372	491,815	421,212
Utilities	1,010,808	521,411	9,662	95,676	15,125	368,934	745,973
Other business deductions	4,862,355	2,254,875	81,363	673,374	88,816	1,763,927	3,780,714
Home office business deductions, total	1,316,950	803,606	18,657	158,121	* 2,809	333,757	565,895
Depreciation, Form 8829 [3]	274,854	113,458	3,072	13,385	* 427	144,512	50,064
Casualty loss, Form 8829 [3]	* 1,705	* 455	0	* 776	0	* 475	* 3,935
Excess—casualty depreciations, Form 8829 [3]	36,547	29,443	0	* 109	* 15	6,979	6,470
Net income [1,2]	43,040,561	28,759,033	601,569	2,203,234	457,006	11,019,719	20,352,614
Returns with Schedule C-EZ:							
Number of returns	278,533	136,396	5,835	20,500	8,162	107,641	668,444
Business receipts	3,400,601	2,116,518	126,894	88,986	45,883	1,022,321	4,649,469
Business deductions	310,066	175,317	6,856	14,714	* 275	112,905	514,475
Net income	3,090,535	1,941,201	120,038	74,272	45,608	909,416	4,134,994

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Administrative and support and waste management and remediation services—continued		Educational services	Health care and social assistance				
	Administrative and support services	Waste management and remediation services		Total	Ambulatory health care services			
			Total		Offices of physicians (except mental health specialists)	Offices of physicians, mental health specialists	Offices of dentists	
	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)
BUSINESSES WITH AND WITHOUT NET INCOME								
Number of returns [1]	2,277,252	25,554	620,222	1,998,278	990,181	183,723	27,713	85,583
Business receipts, total [1]	59,416,628	2,032,969	9,697,644	118,634,052	97,029,582	33,527,006	2,571,012	29,628,238
Income from sales and operations [1]	58,235,514	2,004,814	8,560,972	117,021,589	95,907,569	32,909,325	2,464,500	29,529,858
Other business income	1,181,113	28,155	1,136,672	1,612,463	1,122,012	617,680	106,512	98,380
Business deductions, total [1,2]	42,627,737	1,868,999	6,688,778	71,139,612	56,567,877	17,046,994	1,152,042	19,557,300
Cost of sales and operations, total	10,762,790	372,367	1,513,536	5,640,614	5,026,631	1,045,507	14,651	2,017,011
Inventory, beginning of year	464,001	* 40,531	158,434	344,839	298,066	43,456	* 4,815	35,574
Cost of labor	2,336,532	* 24,870	83,103	1,037,281	890,086	94,506	* 843	419,575
Purchases	3,745,817	146,038	222,765	1,501,221	1,381,533	223,282	* 4,511	157,410
Materials and supplies	2,576,308	* 54,774	75,492	1,133,455	1,050,836	335,292	* 1,272	456,041
Other costs	2,083,853	131,502	1,125,283	1,998,606	1,720,487	411,516	* 8,385	986,857
Inventory, end of year	443,722	* 25,348	151,541	374,788	314,377	62,545	* 5,175	38,446
Advertising expenses	696,874	24,291	148,459	1,133,160	1,031,886	221,827	10,842	339,929
Car and truck expenses	6,085,460	156,121	743,999	3,546,588	2,266,825	404,697	68,038	207,011
Commissions	390,974	* 15,926	57,724	335,777	253,674	73,788	* 6,028	74,280
Contract labor	2,480,823	63,953	234,601	2,061,074	1,642,530	587,028	22,177	356,711
Depletion	5,002	* 2,735	* 221	10,030	8,388	6,961	* 1	* 11
Depreciation	2,321,847	231,221	269,873	2,844,530	2,289,977	588,986	53,183	914,217
Employee benefit programs	104,160	10,701	4,852	612,725	526,357	200,129	5,228	201,997
Insurance	1,000,554	65,890	68,588	2,427,218	2,157,423	1,122,507	76,121	453,783
Legal and professional services	513,604	13,838	96,852	1,419,808	1,222,999	439,048	31,905	275,901
Meals and entertainment deducted	314,036	7,579	86,221	551,659	311,938	90,260	12,969	64,187
Mortgage interest	150,195	10,621	48,808	627,668	332,030	84,800	* 10,209	113,742
Other interest paid on business indebtedness	290,054	29,508	35,880	612,486	512,727	102,611	6,046	276,768
Office expenses	697,096	21,349	138,950	1,890,216	1,637,849	508,796	48,861	500,957
Pension and profit-sharing plans	31,108	* 742	16,097	454,326	447,032	192,400	16,874	190,837
Rent paid on machinery and equipment	392,714	22,818	60,162	551,649	463,933	171,398	25,542	92,432
Rent paid on other business property	806,043	18,209	538,731	5,158,149	4,494,934	1,281,486	136,806	1,205,410
Repairs	817,174	75,194	59,359	983,825	701,205	175,432	20,470	282,798
Supplies	1,977,558	67,866	346,770	4,372,610	3,398,405	1,018,414	39,597	1,500,796
Salaries and wages	4,166,108	209,528	421,318	16,172,068	13,745,204	4,104,376	151,492	6,221,357
Taxes paid	734,745	40,098	75,550	2,240,332	1,882,144	569,769	32,495	776,473
Travel	589,642	9,710	206,668	776,305	664,502	221,277	41,044	92,664
Utilities	1,021,780	32,631	251,962	2,278,843	1,626,942	398,198	47,580	485,339
Other business deductions	5,021,454	356,915	888,366	12,059,627	9,306,595	3,338,219	230,642	2,865,605
Home office business deductions, total	742,209	8,444	239,885	1,989,809	428,858	73,079	42,895	37,175
Depreciation, Form 8829 [3]	80,816	* 322	28,357	191,105	49,425	14,900	2,959	3,035
Casualty loss, Form 8829 [3]	* 3,935	0	* 22,958	* 5,242	* 3,630	0	* 3,613	0
Excess—casualty depreciations, Form 8829 [3]	43,506	* 17	60,671	123,459	26,929	15,626	* 1,009	* 649
Net income less deficit [1,2]	16,792,128	165,058	3,031,251	47,539,320	40,488,113	16,483,353	1,418,970	10,071,816
Net income [1,2]	20,072,775	279,839	3,800,109	49,855,675	41,846,050	16,770,471	1,436,878	10,223,917
Deficit [2]	-3,280,647	-114,781	-768,857	-2,316,355	-1,357,937	-287,118	-17,909	-152,101

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Administrative and support and waste management and remediation services—continued		Educational services	Health care and social assistance				
	Administrative and support services	Waste management and remediation services		Total	Ambulatory health care services			
			Total		Offices of physicians (except mental health specialists)	Offices of physicians, mental health specialists	Offices of dentists	
	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)
BUSINESSES WITH NET INCOME								
Number of returns [1]	1,814,685	20,032	490,245	1,655,574	811,894	153,658	24,199	74,801
Business receipts, total [1]	52,159,878	1,630,896	7,276,547	110,275,817	92,064,135	32,124,499	2,497,861	28,711,069
Income from sales and operations [1]	51,149,251	1,603,077	7,170,563	108,799,813	91,027,870	31,535,968	2,410,031	28,617,492
Other business income	1,010,627	27,819	105,983	1,476,004	1,036,265	588,531	87,831	93,577
Business deductions, total [1,2]	32,081,492	1,351,057	3,477,306	60,436,771	50,225,415	15,354,107	1,060,983	18,487,282
Cost of sales and operations, total	8,691,576	294,714	333,033	4,852,872	4,459,537	998,825	* 14,387	1,883,475
Inventory, beginning of year	315,210	* 12,344	67,368	227,476	210,081	33,271	* 4,413	31,664
Cost of labor	1,865,145	* 16,104	* 67,302	769,549	644,014	94,506	* 843	347,711
Purchases	3,023,536	126,781	123,084	1,299,485	1,224,101	198,654	* 4,507	150,112
Materials and supplies	2,187,447	* 45,196	45,856	1,056,521	1,001,033	329,731	* 1,272	450,264
Other costs	1,580,239	104,686	97,110	1,739,577	1,603,261	380,383	* 8,123	936,509
Inventory, end of year	280,000	* 10,396	67,687	239,737	222,953	37,719	* 4,771	32,785
Advertising expenses	483,461	17,214	88,962	989,693	919,976	191,702	10,701	319,404
Car and truck expenses	4,451,716	106,411	463,154	2,654,585	1,800,920	363,566	60,583	179,108
Commissions	309,538	* 15,887	36,195	263,152	186,843	69,956	* 6,027	32,090
Contract labor	2,071,905	28,589	202,696	1,645,402	1,358,162	467,217	22,148	321,308
Depletion	2,822	* 10	* 213	7,957	6,314	6,183	* 1	* 11
Depreciation	1,517,153	160,562	120,640	2,254,206	1,900,917	515,316	47,626	806,311
Employee benefit programs	74,521	7,035	* 1,009	551,581	503,314	192,823	5,228	199,314
Insurance	747,497	42,810	44,814	2,190,788	2,004,234	1,073,069	68,462	435,717
Legal and professional services	314,743	6,836	48,164	1,217,275	1,091,101	381,344	28,189	258,412
Meals and entertainment deducted	226,601	6,269	57,727	452,729	276,517	83,510	12,067	61,981
Mortgage interest	87,844	9,228	16,010	433,384	283,353	76,980	* 10,054	107,771
Other interest paid on business indebtedness	198,000	16,905	9,445	474,896	427,313	91,871	5,917	233,253
Office expenses	502,941	18,240	86,956	1,708,932	1,520,634	482,318	47,188	486,597
Pension and profit-sharing plans	20,605	* 478	* 6,380	447,793	442,994	190,148	16,874	190,124
Rent paid on machinery and equipment	260,514	14,684	37,297	439,759	395,035	154,931	23,525	69,230
Rent paid on other business property	579,350	15,033	350,363	4,493,294	4,009,387	1,204,200	134,519	1,127,368
Repairs	546,868	58,696	35,241	821,455	638,642	163,005	18,583	270,839
Supplies	1,438,781	35,835	190,828	3,838,122	3,132,800	964,544	37,702	1,441,584
Salaries and wages	3,295,030	134,495	198,681	14,620,308	12,917,490	3,858,082	145,375	6,093,840
Taxes paid	569,305	26,480	50,044	1,986,928	1,755,741	540,012	29,611	758,899
Travel	416,141	5,071	131,073	656,497	565,641	191,941	39,185	87,671
Utilities	723,177	22,796	153,618	1,881,342	1,452,766	370,124	41,768	463,665
Other business deductions	3,478,254	302,459	526,740	9,633,034	7,645,654	2,632,440	195,539	2,620,022
Home office business deductions, total	562,316	3,579	154,701	1,541,364	346,414	65,434	39,379	29,381
Depreciation, Form 8829 [3]	49,752	* 312	15,599	141,266	39,166	10,137	2,722	2,719
Casualty loss, Form 8829 [3]	* 3,935	0	* 419	* 4,540	* 3,613	0	* 3,613	0
Excess—casualty depreciations, Form 8829 [3]	6,470	0	* 5,666	10,906	5,306	3,343	* 733	* 112
Net income [1,2]	20,072,775	279,839	3,800,109	49,855,675	41,846,050	16,770,471	1,436,878	10,223,917
Returns with Schedule C-EZ:								
Number of returns	665,482	* 2,963	202,473	505,224	185,659	27,446	* 855	10,466
Business receipts	4,632,287	* 17,182	889,093	4,170,707	1,908,159	617,199	* 30,658	62,131
Business deductions	513,734	* 741	135,348	388,515	186,889	26,002	* 344	9,909
Net income	4,118,553	* 16,441	753,745	3,782,192	1,721,270	591,198	* 30,315	52,222

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Health care and social assistance—continued							
	Ambulatory health care services—continued							
	Offices of chiropractors	Offices of optometrists	Offices of mental health practitioners and social therapists	Offices of podiatrists	Outpatient care centers and other miscellaneous health practitioners	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services (including ambulance services, blood, organ banks)
	(129)	(130)	(131)	(132)	(133)	(134)	(135)	(136)
BUSINESSES WITH AND WITHOUT NET INCOME								
Number of returns [1]	35,894	17,566	185,643	8,216	158,690	31,927	227,282	27,944
Business receipts, total [1]	4,670,025	3,308,192	9,222,844	1,614,761	5,473,489	1,405,247	4,514,655	1,094,113
Income from sales and operations [1]	4,524,227	3,295,109	9,194,920	1,605,057	5,410,017	1,404,276	4,481,643	1,088,637
Other business income	145,798	13,083	27,924	* 9,704	63,473	* 971	33,011	5,476
Business deductions, total [1,2]	2,960,931	2,471,409	4,521,621	1,065,506	3,149,837	994,166	2,785,326	862,744
Cost of sales and operations, total	101,057	662,598	227,613	37,524	274,793	184,210	254,710	206,958
Inventory, beginning of year	* 6,580	89,755	* 31,239	* 20,330	41,152	* 4,978	* 5,598	14,589
Cost of labor	* 2,026	* 180	71,003	* 2,427	* 25,834	* 94,523	* 172,409	* 6,760
Purchases	51,815	490,696	89,015	* 1,683	121,446	50,394	19,302	171,978
Materials and supplies	23,812	93,191	29,846	22,373	35,885	* 25,028	18,318	* 9,778
Other costs	21,816	71,927	40,100	* 10,806	92,056	* 16,137	42,379	* 18,509
Inventory, end of year	* 4,992	83,152	* 33,590	* 20,095	41,580	* 6,850	3,296	14,656
Advertising expenses	152,111	46,019	60,121	25,134	127,462	11,727	22,899	13,815
Car and truck expenses	74,846	44,383	440,402	32,510	292,317	57,579	574,766	70,274
Commissions	* 2,576	* 2,324	16,743	* 2,341	47,421	* 1,248	25,185	* 1,740
Contract labor	73,748	41,627	224,527	21,127	68,394	12,980	189,416	44,796
Depletion	0	* 3	0	0	* 1	0	* 1,410	0
Depreciation	137,142	117,195	160,442	44,154	129,079	48,379	72,571	24,628
Employee benefit programs	17,298	26,608	21,553	10,974	16,776	6,488	14,533	4,773
Insurance	92,308	41,961	117,471	65,690	92,608	24,455	48,752	21,767
Legal and professional services	58,907	35,738	204,907	24,221	82,026	32,698	29,168	8,480
Meals and entertainment deducted	13,704	5,907	44,945	7,074	31,375	3,620	30,932	6,965
Mortgage interest	32,875	8,206	29,620	* 4,797	24,331	3,966	15,207	* 4,275
Other interest paid on business indebtedness	29,590	23,323	17,967	12,082	21,807	7,821	11,471	3,241
Office expenses	131,634	57,812	149,735	44,108	115,649	16,284	51,931	12,081
Pension and profit-sharing plans	7,305	9,658	8,573	4,175	12,369	2,120	1,775	946
Rent paid on machinery and equipment	44,454	18,068	29,242	6,835	40,043	7,129	24,320	4,469
Rent paid on other business property	406,620	232,412	622,391	199,555	241,679	68,238	74,180	26,156
Repairs	44,092	28,686	50,047	17,295	34,906	15,373	27,747	4,360
Supplies	194,305	66,392	147,651	60,476	163,029	54,492	131,158	22,096
Salaries and wages	604,396	560,782	600,916	232,450	334,380	190,262	577,280	167,512
Taxes paid	105,769	75,747	102,607	28,209	61,958	49,290	58,960	20,868
Travel	32,170	12,851	84,824	16,347	72,631	12,945	57,808	19,940
Utilities	142,068	58,486	193,063	36,995	128,521	32,401	87,717	16,576
Other business deductions	449,294	293,003	809,406	130,421	612,128	130,753	301,776	145,347
Home office business deductions, total	11,511	* 784	125,784	* 1,010	74,965	18,218	37,103	* 6,333
Depreciation, Form 8829 [3]	* 1,924	* 121	14,501	* 116	6,223	* 1,487	4,141	* 17
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	* 17	0
Excess—casualty depreciations, Form 8829 [3]	* 347	* 370	2,532	0	* 2,915	* 1,476	* 2,003	* 2
Net income less deficit [1,2]	1,709,094	836,782	4,712,889	549,256	2,331,371	411,343	1,729,329	233,911
Net income [1,2]	1,748,283	887,699	4,849,572	584,136	2,597,497	451,393	2,012,025	284,178
Deficit [2]	-39,190	-50,917	-136,682	* -34,880	-266,127	-40,050	-282,697	-50,267

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Health care and social assistance—continued							
	Ambulatory health care services—continued							
	Offices of chiropractors	Offices of optometrists	Offices of mental health practitioners and social therapists	Offices of podiatrists	Outpatient care centers and other miscellaneous health practitioners	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services (including ambulance services, blood, organ banks)
	(129)	(130)	(131)	(132)	(133)	(134)	(135)	(136)
BUSINESSES WITH NET INCOME								
Number of returns [1]	31,671	14,998	146,024	6,547	126,539	26,246	187,757	19,454
Business receipts, total [1]	4,486,293	3,051,562	8,722,252	1,526,364	5,051,200	1,206,377	3,829,796	856,862
Income from sales and operations [1]	4,344,991	3,044,152	8,700,347	1,517,372	5,009,104	1,205,556	3,791,309	851,549
Other business income	141,301	7,410	21,905	* 8,992	42,096	* 822	38,487	5,313
Business deductions, total [1,2]	2,738,009	2,163,863	3,872,682	942,228	2,459,779	755,246	1,817,770	573,465
Cost of sales and operations, total	95,031	626,409	155,137	37,451	261,405	170,846	115,295	101,276
Inventory, beginning of year	* 6,580	64,353	* 14,573	* 20,330	25,966	* 2,866	* 956	* 5,109
Cost of labor	* 2,026	* 180	* 22,120	* 2,427	* 25,476	* 94,005	* 48,808	* 5,912
Purchases	51,709	476,866	88,357	* 1,683	118,997	* 46,291	* 15,068	71,858
Materials and supplies	18,269	80,968	25,000	* 22,300	34,263	* 20,009	* 9,181	* 9,778
Other costs	21,440	71,927	20,399	* 10,806	83,766	* 13,129	* 42,296	* 14,484
Inventory, end of year	* 4,992	67,886	* 15,312	* 20,095	27,063	* 5,454	* 1,013	* 5,864
Advertising expenses	144,393	39,817	53,857	22,728	104,016	9,888	13,340	10,130
Car and truck expenses	61,452	40,469	375,234	30,066	224,278	41,028	388,057	37,078
Commissions	* 2,575	* 2,324	15,487	* 4	44,532	* 1	12,271	* 1,576
Contract labor	56,029	31,117	221,120	19,979	56,629	11,081	106,943	44,591
Depletion	0	* 3	0	0	0	0	* 115	0
Depreciation	105,125	85,881	133,241	36,695	87,330	24,014	44,873	14,506
Employee benefit programs	17,235	22,955	18,595	10,223	15,254	5,301	11,991	4,396
Insurance	85,859	35,937	105,761	62,437	68,393	20,866	29,973	17,762
Legal and professional services	56,381	31,589	190,794	23,727	63,573	31,065	20,083	5,945
Meals and entertainment deducted	11,737	5,460	40,750	6,426	24,462	2,639	22,191	5,294
Mortgage interest	31,849	7,807	10,901	* 4,797	* 18,794	1,909	* 8,596	* 3,895
Other interest paid on business indebtedness	28,305	16,196	15,254	12,082	12,670	3,461	5,222	* 3,081
Office expenses	120,626	52,274	139,916	43,237	92,901	11,263	33,984	10,330
Pension and profit-sharing plans	7,305	9,647	8,424	4,175	11,542	2,118	* 1,702	935
Rent paid on machinery and equipment	43,400	15,776	25,863	5,060	29,638	5,284	18,201	* 4,127
Rent paid on other business property	369,117	205,915	545,825	136,952	179,748	53,333	35,900	16,511
Repairs	39,593	24,219	45,752	17,079	27,190	13,905	14,988	3,490
Supplies	184,204	45,044	134,048	51,420	132,660	40,708	83,835	17,051
Salaries and wages	589,512	511,937	530,295	218,964	265,636	146,589	419,247	138,014
Taxes paid	97,277	70,169	92,029	26,858	50,018	32,834	41,726	16,310
Travel	27,482	9,080	67,297	16,347	60,682	11,343	37,420	17,193
Utilities	129,379	49,762	173,439	35,420	98,991	24,318	53,433	12,467
Other business deductions	422,645	222,475	642,487	119,091	432,116	76,757	205,223	76,859
Home office business deductions, total	11,499	* 771	100,110	* 1,010	48,716	* 13,202	30,610	* 6,301
Depreciation, Form 8829 [3]	* 1,924	* 120	13,104	* 116	4,438	* 892	2,985	* 9
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 347	* 350	* 334	0	* 87	0	0	0
Net income [1,2]	1,748,283	887,699	4,849,572	584,136	2,597,497	451,393	2,012,025	284,178
Returns with Schedule C-EZ:								
Number of returns	* 1,270	* 2,811	22,215	**	** 42,461	10,318	60,890	6,928
Business receipts	* 1,399	* 15,760	202,469	**	** 371,891	35,378	534,639	36,634
Business deductions	* 1,150	* 833	31,071	**	** 49,191	* 1,491	62,551	4,348
Net income	* 250	* 14,927	171,398	**	** 322,699	33,888	472,088	32,286

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Health care and social assistance—continued				Arts, entertainment, and recreation			
	Hospitals	Nursing and residential care facilities	Social assistance	Child day care services	Total	Performing arts, spectator sports and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)
BUSINESSES WITH AND WITHOUT NET INCOME								
Number of returns [1]	10,803	61,028	147,898	788,368	1,347,779	1,094,030	2,988	250,761
Business receipts, total [1]	565,203	4,635,311	3,187,864	13,216,093	33,092,332	24,608,291	56,425	8,427,616
Income from sales and operations [1]	565,068	4,603,816	3,142,799	12,802,336	31,506,156	23,329,988	66,445	8,109,723
Other business income	* 135	31,496	45,065	413,756	1,586,175	1,278,303	* -10,020	317,893
Business deductions, total [1,2]	218,124	4,295,863	1,778,127	8,279,621	25,108,049	17,078,186	40,496	7,989,368
Cost of sales and operations, total	* 11,092	277,574	79,386	245,932	3,428,488	1,902,941	* 4,790	1,520,757
Inventory, beginning of year	0	6,588	* 28,142	* 12,044	601,082	448,958	* 789	151,335
Cost of labor	0	70,492	* 15,453	61,251	163,568	102,223	* 1,898	59,447
Purchases	* 597	28,462	* 20,987	69,642	1,395,845	660,718	* 2,268	732,859
Materials and supplies	0	17,045	* 2,179	63,395	458,642	284,776	* 54	173,811
Other costs	* 10,496	162,539	53,699	51,385	1,477,029	887,729	* 567	588,733
Inventory, end of year	0	7,553	41,073	* 11,785	667,679	481,464	* 786	185,429
Advertising expenses	* 1,353	15,918	29,900	54,102	525,056	377,793	* 253	147,010
Car and truck expenses	9,689	223,881	328,639	717,555	2,102,068	1,703,017	* 8,565	390,486
Commissions	0	26,711	* 23,629	31,763	628,623	541,815	0	86,808
Contract labor	* 6,546	143,867	35,345	232,786	978,368	777,632	* 20	200,716
Depletion	0	0	* 1,643	0	3,112	2,823	0	* 289
Depreciation	7,230	143,128	69,696	334,499	1,838,717	1,301,037	901	536,779
Employee benefit programs	* 3,894	72,380	2,997	7,096	59,313	22,620	* 54	36,639
Insurance	6,614	93,712	42,155	127,313	284,932	160,025	* 191	124,717
Legal and professional services	4,178	80,425	33,477	78,729	514,527	426,570	* 179	87,778
Meals and entertainment deducted	2,569	11,926	30,114	195,113	390,647	350,558	* 173	39,916
Mortgage interest	* 1,519	180,190	* 4,355	109,574	153,188	48,242	* 378	104,568
Other interest paid on business indebtedness	* 198	62,642	11,304	25,615	228,832	131,676	* 14	97,141
Office expenses	3,836	33,276	71,058	144,196	382,055	314,574	* 115	67,366
Pension and profit-sharing plans	0	3,182	* 4,112	0	12,098	9,730	* 6	2,362
Rent paid on machinery and equipment	* 784	38,515	4,382	44,035	219,389	152,909	* 97	66,383
Rent paid on other business property	* 10,115	247,332	154,132	251,635	1,140,219	521,893	* 8,118	610,209
Repairs	* 1,119	77,144	15,734	188,623	370,530	225,204	* 75	145,251
Supplies	5,712	166,115	59,944	742,434	969,000	797,320	* 598	171,083
Salaries and wages	* 65,198	1,092,520	218,980	1,050,166	1,544,423	774,841	* 2,794	766,788
Taxes paid	7,907	180,093	28,129	142,060	460,514	177,133	* 253	283,129
Travel	12,687	36,553	42,081	20,483	1,196,154	1,062,856	* 667	132,631
Utilities	5,599	176,821	86,255	383,225	668,318	432,264	1,018	235,036
Other business deductions	42,732	830,419	321,418	1,558,463	6,174,570	4,126,757	8,317	2,039,496
Home office business deductions, total	* 3,875	76,110	54,603	1,426,363	636,632	584,156	* 2,920	49,556
Depreciation, Form 8829 [3]	* 826	* 13,763	7,527	119,565	82,010	75,224	0	6,785
Casualty loss, Form 8829 [3]	0	0	0	* 1,611	* 260	* 260	0	0
Excess—casualty depreciations, Form 8829 [3]	* 662	* 11,282	* 3,439	81,147	85,865	79,658	0	* 6,207
Net income less deficit [1,2]	347,079	347,555	1,410,784	4,945,788	8,057,508	7,560,686	15,929	480,892
Net income [1,2]	349,246	630,327	1,569,040	5,461,012	12,551,749	10,997,067	* 28,552	1,526,130
Deficit [2]	* -2,166	-282,772	-158,256	-515,224	-4,494,241	-3,436,380	-12,624	-1,045,237

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Health care and social assistance—continued				Arts, entertainment, and recreation			
	Hospitals	Nursing and residential care facilities	Social assistance	Child day care services	Total	Performing arts, spectator sports and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)
BUSINESSES WITH NET INCOME								
Number of returns [1]	10,372	42,208	111,604	679,496	840,486	667,004	* 1,028	172,454
Business receipts, total [1]	558,948	3,155,366	2,988,411	11,508,956	25,748,112	20,485,270	* 50,327	5,212,516
Income from sales and operations [1]	558,814	3,128,094	2,944,921	11,140,114	24,540,396	19,458,589	* 50,307	5,031,500
Other business income	* 135	27,272	43,490	368,842	1,207,717	1,026,681	* 20	181,016
Business deductions, total [1,2]	209,703	2,525,127	1,419,372	6,057,155	13,224,873	9,493,287	* 21,775	3,709,811
Cost of sales and operations, total	* 10,464	111,193	75,449	196,228	1,819,634	1,041,457	0	778,176
Inventory, beginning of year	0	* 5,524	* 1,559	* 10,312	166,861	104,843	0	62,018
Cost of labor	0	55,259	* 13,512	56,764	77,723	77,425	0	* 299
Purchases	0	18,932	* 8,200	48,252	666,442	235,539	0	430,903
Materials and supplies	0	* 4,161	* 80	51,247	240,676	128,714	0	111,962
Other costs	* 10,464	31,526	53,699	40,628	855,717	613,327	0	242,390
Inventory, end of year	0	* 4,208	* 1,601	* 10,974	187,786	118,390	0	69,396
Advertising expenses	* 1,251	9,085	20,783	38,598	254,949	196,781	* 5	58,163
Car and truck expenses	9,320	140,143	222,181	482,022	1,181,616	945,229	* 6,770	229,618
Commissions	0	25,895	* 22,137	28,278	461,417	444,470	0	16,947
Contract labor	* 6,546	106,433	24,104	150,158	541,268	441,630	0	99,638
Depletion	0	0	* 1,643	0	339	* 251	0	* 88
Depreciation	6,188	76,138	54,323	216,641	698,678	573,538	* 276	124,865
Employee benefit programs	* 3,893	35,199	* 2,429	* 6,746	21,541	8,387	0	13,154
Insurance	6,610	53,968	34,026	91,950	138,639	95,260	* 20	43,359
Legal and professional services	4,169	40,651	23,676	57,678	284,448	252,240	* 160	32,048
Meals and entertainment deducted	2,558	7,787	25,896	139,970	236,652	213,764	* 7	22,881
Mortgage interest	* 1,519	80,385	* 3,298	64,828	35,907	22,411	0	13,496
Other interest paid on business indebtedness	* 198	28,427	8,777	10,182	53,605	38,178	* 13	15,415
Office expenses	3,835	18,998	57,011	108,455	213,319	184,942	* 17	28,360
Pension and profit-sharing plans	0	688	* 4,112	0	9,087	7,444	* 6	* 1,637
Rent paid on machinery and equipment	* 784	13,880	2,590	27,471	105,258	81,760	* 72	23,426
Rent paid on other business property	* 10,106	159,871	135,149	178,781	563,849	304,495	* 6,772	252,581
Repairs	* 959	44,180	12,424	125,249	127,331	85,027	0	42,304
Supplies	5,712	86,587	42,084	570,940	517,670	442,361	* 357	74,953
Salaries and wages	* 64,597	653,601	209,783	774,837	625,118	341,058	* 949	283,111
Taxes paid	7,902	95,687	24,675	102,922	173,597	100,344	* 113	73,139
Travel	12,658	27,891	33,747	16,560	739,641	660,057	* 50	79,533
Utilities	5,397	102,512	73,625	247,042	362,276	265,082	* 751	96,443
Other business deductions	37,486	536,114	232,531	1,181,249	3,411,529	2,184,179	* 5,438	1,221,911
Home office business deductions, total	* 3,875	64,385	48,258	1,078,431	455,722	413,909	0	41,814
Depreciation, Form 8829 [3]	* 826	* 8,086	6,113	87,075	43,629	39,281	0	4,347
Casualty loss, Form 8829 [3]	0	0	0	* 926	* 260	* 260	0	0
Excess—casualty depreciations, Form 8829 [3]	* 662	* 983	* 898	* 3,057	9,021	6,947	0	* 2,073
Net income [1,2]	349,246	630,327	1,569,040	5,461,012	12,551,749	10,997,067	* 28,552	1,526,130
Returns with Schedule C-EZ:								
Number of returns	4,728	10,758	33,958	270,121	274,218	** 212,240	**	61,978
Business receipts	35,368	41,024	233,343	1,952,813	1,104,056	** 935,768	**	168,289
Business deductions	* 3,677	* 5,431	24,659	167,859	198,274	** 151,802	**	46,473
Net income	31,691	35,593	208,684	1,784,954	905,782	** 783,966	**	121,816

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Accommodation, food services, and drinking places						Other services
	Accommodation					Food services and drinking places	
	Total	Total	Travel accommodation (including hotels, motels, and bed and breakfast inns)	RV (recreational vehicle) parks and recreational camps	Rooming and boarding houses		Total
	(145)	(146)	(147)	(148)	(149)	(150)	(151)
BUSINESSES WITH AND WITHOUT NET INCOME							
Number of returns [1]	434,168	54,627	30,796	11,157	12,673	379,541	2,360,060
Business receipts, total [1]	47,870,153	6,002,638	4,635,708	849,367	517,563	41,867,514	82,993,026
Income from sales and operations [1]	47,447,847	5,905,116	4,545,935	845,871	513,310	41,542,731	81,943,135
Other business income	422,306	97,523	89,773	3,496	4,253	324,783	1,049,891
Business deductions, total [1,2]	47,250,095	6,116,762	4,706,845	855,938	553,979	41,133,333	64,868,354
Cost of sales and operations, total	18,676,639	715,424	464,471	247,658	* 3,295	17,961,214	19,530,169
Inventory, beginning of year	753,862	110,508	50,523	59,635	* 350	643,355	1,744,199
Cost of labor	1,453,178	145,650	102,124	* 43,526	0	1,307,528	1,808,453
Purchases	15,002,787	280,449	143,089	134,107	* 3,252	14,722,339	11,092,795
Materials and supplies	1,476,342	54,585	49,381	* 5,204	0	1,421,757	4,966,396
Other costs	756,753	195,142	166,339	* 28,803	0	561,611	1,725,465
Inventory, end of year	766,285	70,909	46,985	23,617	* 307	695,375	1,807,139
Advertising expenses	770,422	120,209	99,279	11,960	8,970	650,212	1,102,933
Car and truck expenses	946,195	113,994	72,439	19,310	22,245	832,201	5,038,572
Commissions	169,013	52,502	49,394	* 597	2,511	116,512	810,291
Contract labor	397,802	85,455	66,439	15,017	3,999	312,347	2,526,214
Depletion	331	* 146	* 13	0	* 133	* 185	12,401
Depreciation	2,067,515	748,983	615,473	84,862	48,648	1,318,532	2,715,345
Employee benefit programs	90,401	22,848	18,846	* 1,355	* 2,647	67,553	139,118
Insurance	803,790	165,159	131,521	19,237	14,401	638,631	1,177,716
Legal and professional services	339,139	61,896	44,347	7,273	10,276	277,243	550,266
Meals and entertainment deducted	79,286	7,873	5,740	1,043	1,090	71,412	301,588
Mortgage interest	692,768	388,590	327,136	28,748	32,706	304,179	458,884
Other interest paid on business indebtedness	375,255	95,579	81,131	11,223	3,224	279,677	509,760
Office expenses	208,349	46,227	29,644	13,194	3,389	162,121	743,818
Pension and profit-sharing plans	11,763	2,621	2,612	* 9	0	9,143	33,101
Rent paid on machinery and equipment	427,589	27,434	24,939	370	2,125	400,155	877,432
Rent paid on other business property	3,398,744	241,975	125,858	87,730	* 28,387	3,156,769	5,968,711
Repairs	972,099	302,712	236,771	36,924	29,016	669,387	1,063,168
Supplies	1,263,487	257,278	184,161	22,490	50,627	1,006,208	4,192,773
Salaries and wages	6,893,201	780,384	661,504	38,154	80,726	6,112,818	5,254,453
Taxes paid	1,965,174	390,440	326,853	30,158	33,429	1,574,734	1,386,039
Travel	117,439	32,516	25,729	5,015	1,772	84,923	499,902
Utilities	2,895,744	609,940	493,838	68,239	47,863	2,285,804	3,057,732
Other business deductions	3,469,553	731,651	542,903	105,243	83,506	2,737,902	5,823,951
Home office business deductions, total	168,479	111,117	72,987	* 129	* 38,002	57,362	624,081
Depreciation, Form 8829 [3]	19,983	13,627	4,107	0	* 9,519	6,356	62,970
Casualty loss, Form 8829 [3]	* 56	0	0	0	0	* 56	* 908
Excess—casualty depreciations, Form 8829 [3]	44,424	39,302	* 23,564	0	* 15,739	5,121	61,346
Net income less deficit [1,2]	649,056	-106,584	-62,093	-6,285	-38,206	755,640	18,135,387
Net income [1,2]	3,944,725	686,142	534,678	75,531	75,934	3,258,583	21,745,190
Deficit [2]	-3,295,669	-792,727	-596,771	-81,816	-114,139	-2,502,943	-3,609,802

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Accommodation, food services, and drinking places						Other services
	Accommodation					Food services and drinking places	
	Total	Total	Travel accommodation (including hotels, motels, and bed and breakfast inns)	RV (recreational vehicle) parks and recreational camps	Rooming and boarding houses		Total
	(145)	(146)	(147)	(148)	(149)	(150)	(151)
BUSINESSES WITH NET INCOME							
Number of returns [1]	270,338	25,815	15,774	5,950	4,090	244,523	1,875,687
Business receipts, total [1]	32,951,914	3,640,560	2,734,418	571,095	335,047	29,311,354	71,197,612
Income from sales and operations [1]	32,723,648	3,617,589	2,716,233	570,090	331,266	29,106,060	70,335,593
Other business income	228,266	22,971	18,186	* 1,005	* 3,781	205,295	862,020
Business deductions, total [1,2]	28,983,408	2,955,204	2,200,125	495,966	259,113	26,028,205	49,452,816
Cost of sales and operations, total	12,470,829	318,245	190,029	128,216	0	12,152,584	15,434,195
Inventory, beginning of year	371,813	2,469	1,429	* 1,040	0	369,344	1,223,838
Cost of labor	886,435	81,494	* 38,274	* 43,220	0	804,942	1,534,491
Purchases	10,298,193	75,600	20,510	55,091	0	10,222,593	8,553,854
Materials and supplies	945,603	27,422	22,240	* 5,182	0	918,181	3,971,218
Other costs	367,187	133,712	109,067	* 24,646	0	233,475	1,455,267
Inventory, end of year	398,403	2,452	1,490	* 962	0	395,951	1,304,472
Advertising expenses	421,872	43,582	33,877	3,995	* 5,710	378,289	799,168
Car and truck expenses	551,701	59,549	41,369	5,803	* 12,377	492,152	3,717,635
Commissions	89,963	7,748	7,416	* 326	* 5	82,215	680,274
Contract labor	231,754	52,184	38,028	* 13,141	* 1,014	179,570	1,980,384
Depletion	* 253	* 133	0	0	* 133	* 120	12,255
Depreciation	843,643	280,579	224,609	37,779	18,191	563,064	1,772,602
Employee benefit programs	38,044	7,515	6,957	* 558	0	30,528	107,805
Insurance	488,564	90,306	74,160	8,981	7,164	398,258	881,241
Legal and professional services	173,155	24,969	21,370	1,825	* 1,775	148,186	418,377
Meals and entertainment deducted	46,199	3,399	2,422	* 783	* 193	42,800	230,018
Mortgage interest	309,859	155,537	146,737	* 6,025	* 2,775	154,321	303,250
Other interest paid on business indebtedness	152,193	25,662	19,305	* 5,656	* 701	126,532	349,299
Office expenses	117,582	25,640	17,484	6,582	* 1,573	91,943	560,104
Pension and profit-sharing plans	10,666	* 2,475	* 2,466	* 9	0	8,191	31,607
Rent paid on machinery and equipment	260,709	13,510	13,018	* 244	* 248	247,199	623,827
Rent paid on other business property	2,216,026	190,420	82,769	* 80,382	* 27,269	2,025,606	4,826,981
Repairs	558,196	166,170	135,226	15,606	15,338	392,026	728,525
Supplies	615,015	145,601	108,009	7,135	* 30,457	469,414	3,196,364
Salaries and wages	4,183,721	328,808	260,205	* 26,241	* 42,362	3,854,913	4,018,783
Taxes paid	1,219,985	216,655	178,510	17,867	20,278	1,003,330	1,042,686
Travel	64,803	13,418	9,610	3,610	* 199	51,385	348,503
Utilities	1,790,518	360,895	301,240	40,016	19,639	1,429,623	2,277,933
Other business deductions	1,994,132	361,388	241,042	85,058	35,288	1,632,744	4,161,288
Home office business deductions, total	84,658	57,008	41,448	* 129	* 15,431	27,650	482,342
Depreciation, Form 8829 [3]	3,137	* 890	* 102	0	* 788	2,247	44,096
Casualty loss, Form 8829 [3]	* 20	0	0	0	0	* 20	* 906
Excess—casualty depreciations, Form 8829 [3]	* 34	* 3	0	0	* 3	* 31	4,005
Net income [1,2]	3,944,725	686,142	534,678	75,531	75,934	3,258,583	21,745,190
Returns with Schedule C-EZ:							
Number of returns	67,527	* 3,322	* 1,318	* 1,002	* 1,002	64,205	508,901
Business receipts	385,045	* 18,114	* 15,134	* 1,628	* 1,352	366,931	3,853,101
Business deductions	49,918	* 3,808	* 2,816	0	* 992	46,110	469,934
Net income	335,128	* 14,306	* 12,317	* 1,628	* 361	320,822	3,383,167

Footnotes at end of table.

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Other services—continued							Religious, grantmaking, civic, professional, and similar organizations	Unclassified establishments
	Auto repair and maintenance				Miscellaneous repairs	Personal and laundry services			
	Total	Automotive mechanical and electrical repair and maintenance	Automotive body shops	Other auto repair and maintenance (including oil change, lube, and car washes)					
(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)		
BUSINESSES WITH AND WITHOUT NET INCOME									
Number of returns [1]	351,027	176,570	85,132	89,325	411,150	1,597,882	245,487	484,209	
Business receipts, total [1]	23,975,616	12,095,924	7,046,601	4,833,090	16,068,515	42,948,895	3,243,046	5,744,085	
Income from sales and operations [1]	23,824,123	12,012,004	7,013,701	4,798,418	15,968,505	42,150,507	3,010,585	5,673,573	
Other business income	151,493	83,920	32,901	34,672	100,011	798,388	232,461	70,512	
Business deductions, total [1,2]	21,753,442	11,041,175	6,228,016	4,484,251	13,298,011	29,816,902	1,565,213	3,762,229	
Cost of sales and operations, total	9,488,959	5,004,083	2,637,579	1,847,297	5,596,026	4,445,183	* 8,684	913,837	
Inventory, beginning of year	625,568	252,994	207,073	165,501	531,159	587,472	* 9,398	118,429	
Cost of labor	721,378	381,760	192,125	147,493	436,226	650,849	0	32,905	
Purchases	5,808,094	3,265,581	1,219,068	1,323,445	3,095,804	2,188,896	* 6,547	592,789	
Materials and supplies	2,423,250	1,168,652	979,059	275,539	1,560,520	982,626	* 1,576	228,214	
Other costs	604,677	229,611	252,463	122,603	540,746	580,042	* 3,915	56,163	
Inventory, end of year	694,008	294,515	212,207	187,285	568,428	544,702	* 12,751	114,662	
Advertising expenses	323,329	163,143	99,000	61,186	139,208	640,396	15,256	31,736	
Car and truck expenses	1,292,409	591,990	380,552	319,866	1,347,537	2,398,627	511,313	589,393	
Commissions	166,956	55,303	107,745	* 3,908	59,346	583,989	* 20,610	25,116	
Contract labor	574,607	306,214	137,195	131,197	643,691	1,307,916	* 32,585	62,860	
Depletion	* 545	* 521	0	* 24	* 2,501	9,355	0	* 1,826	
Depreciation	983,440	512,104	211,882	259,454	492,991	1,238,914	49,091	168,932	
Employee benefit programs	73,392	30,977	18,252	24,163	31,174	34,552	* 5,957	1,764	
Insurance	418,793	208,055	123,561	87,176	266,693	492,231	10,633	88,908	
Legal and professional services	148,705	75,960	33,078	39,668	69,237	332,324	19,591	46,584	
Meals and entertainment deducted	54,611	26,112	17,403	11,097	56,483	190,493	44,046	47,056	
Mortgage interest	222,850	93,768	80,172	48,910	55,116	180,918	* 2,488	29,628	
Other interest paid on business indebtedness	213,102	123,225	37,442	52,435	77,877	218,781	* 6,865	34,364	
Office expenses	168,370	80,881	56,624	30,865	139,138	436,310	60,296	41,456	
Pension and profit-sharing plans	24,253	* 21,484	* 2,560	* 209	* 1,255	7,593	* 25,749	* 9,056	
Rent paid on machinery and equipment	226,304	66,854	81,222	78,228	95,024	556,104	9,017	87,040	
Rent paid on other business property	934,504	441,268	310,886	182,350	397,899	4,636,308	25,816	111,301	
Repairs	352,180	190,484	95,503	66,193	189,203	521,785	33,525	62,574	
Supplies	985,703	490,901	326,617	168,185	796,440	2,410,630	50,493	167,360	
Salaries and wages	1,878,428	818,412	694,649	365,366	831,484	2,544,542	* 25,912	148,092	
Taxes paid	573,269	274,719	167,882	130,667	227,469	585,301	11,186	35,473	
Travel	66,006	27,145	17,008	21,854	104,780	329,116	111,040	92,634	
Utilities	810,447	382,832	225,697	201,918	391,447	1,855,839	68,642	113,166	
Other business deductions	1,652,828	998,834	340,643	313,350	1,077,783	3,093,341	334,056	655,673	
Home office business deductions, total	79,674	38,983	17,124	23,567	154,657	389,750	29,268	53,581	
Depreciation, Form 8829 [3]	8,657	4,255	* 2,308	* 2,093	21,528	32,785	2,676	3,259	
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 908	0	0	
Excess—casualty depreciations, Form 8829 [3]	10,508	* 1,045	* 1,902	* 7,561	24,608	26,230	* 4,428	2,923	
Net income less deficit [1,2]	2,235,510	1,067,921	818,614	348,975	2,771,294	13,128,583	1,682,136	2,001,777	
Net income [1,2]	3,175,658	1,507,387	1,017,755	650,516	3,531,687	15,037,845	1,921,225	2,776,475	
Deficit [2]	-940,148	-439,466	-199,141	-301,542	-760,393	-1,909,262	-239,089	-774,699	

Footnotes at end of table.

Sole Proprietorship Returns, 2008

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Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

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

Net income status, item	Other services—continued							Religious, grantmaking, civic, professional, and similar organizations	Unclassified establishments
	Auto repair and maintenance				Miscellaneous repairs	Personal and laundry services			
	Total	Automotive mechanical and electrical repair and maintenance	Automotive body shops	Other auto repair and maintenance (including oil change, lube, and car washes)					
(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)		
BUSINESSES WITH NET INCOME									
Number of returns [1]	251,094	130,924	59,269	60,901	309,113	1,315,480	199,382	389,936	
Business receipts, total [1]	19,359,248	9,854,183	5,902,853	3,602,213	13,857,046	37,981,318	3,084,125	4,694,275	
Income from sales and operations [1]	19,234,127	9,774,848	5,874,656	3,584,624	13,760,525	37,340,940	2,862,243	4,652,788	
Other business income	125,121	79,335	28,197	17,589	96,521	640,378	221,883	41,487	
Business deductions, total [1,2]	16,183,722	8,346,796	4,885,098	2,951,828	10,325,359	22,943,735	1,165,934	1,917,814	
Cost of sales and operations, total	7,271,048	3,820,742	2,097,483	1,352,823	4,694,314	3,468,833	* 7,938	538,228	
Inventory, beginning of year	437,138	204,906	134,905	97,327	441,418	345,282	* 5,762	69,275	
Cost of labor	599,610	310,045	157,786	131,780	373,594	561,287	0	* 11,156	
Purchases	4,308,838	2,543,496	802,483	962,859	2,556,998	1,688,018	* 5,271	316,266	
Materials and supplies	1,925,074	811,823	905,374	207,876	1,308,282	737,862	* 1,576	183,045	
Other costs	502,960	192,502	240,228	70,231	479,573	472,734	* 1,360	32,458	
Inventory, end of year	502,572	242,029	143,293	117,250	465,550	336,350	* 6,031	73,972	
Advertising expenses	226,971	123,676	67,713	35,582	105,352	466,845	12,570	13,045	
Car and truck expenses	937,425	403,858	336,562	197,005	1,014,473	1,765,737	357,009	289,469	
Commissions	146,338	51,112	91,599	* 3,628	54,191	479,744	* 20,454	19,653	
Contract labor	483,048	250,747	120,540	111,761	442,072	1,055,264	* 32,006	52,616	
Depletion	* 518	* 518	0	0	* 2,494	* 9,242	0	* 21	
Depreciation	620,309	336,298	156,788	127,223	313,897	838,396	31,074	60,988	
Employee benefit programs	54,012	27,579	8,704	* 17,729	23,268	30,524	* 5,957	* 1,221	
Insurance	315,360	159,634	101,799	53,926	205,687	360,194	6,399	54,220	
Legal and professional services	109,730	59,864	25,957	23,909	49,462	259,185	16,844	17,987	
Meals and entertainment deducted	36,273	15,878	14,190	6,205	47,607	146,138	36,454	23,743	
Mortgage interest	127,715	70,930	32,238	24,548	50,017	125,518	* 55	* 19,430	
Other interest paid on business indebtedness	166,974	107,960	35,502	23,511	50,325	132,000	* 592	14,977	
Office expenses	126,195	58,721	44,889	22,585	108,139	325,769	47,219	24,079	
Pension and profit-sharing plans	23,457	* 20,708	* 2,560	* 189	* 1,005	7,145	* 3,399	* 356	
Rent paid on machinery and equipment	157,995	47,494	71,316	39,186	75,108	390,724	* 4,221	26,543	
Rent paid on other business property	684,940	346,052	201,578	137,310	245,801	3,896,241	24,610	36,936	
Repairs	219,365	101,941	77,583	39,842	143,442	365,718	16,245	37,138	
Supplies	711,333	373,060	239,647	98,627	568,032	1,916,999	37,992	95,995	
Salaries and wages	1,410,300	648,131	542,224	219,945	656,709	1,951,774	* 25,908	95,724	
Taxes paid	436,936	217,140	137,806	81,990	185,051	420,698	9,884	19,176	
Travel	45,100	19,051	15,066	10,983	65,582	237,821	79,677	32,390	
Utilities	574,968	289,222	177,049	108,697	272,615	1,430,350	44,588	55,733	
Other business deductions	1,210,425	745,881	266,926	197,618	769,209	2,181,655	264,761	239,453	
Home office business deductions, total	48,658	33,677	* 13,091	* 1,889	127,956	305,729	29,079	20,983	
Depreciation, Form 8829 [3]	5,298	* 3,255	* 1,737	* 306	14,138	24,660	2,488	* 1,012	
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 906	0	0	
Excess—casualty depreciations, Form 8829 [3]	* 468	* [4]	* 468	0	0	* 3,537	* 1,078	* 661	
Net income [1,2]	3,175,658	1,507,387	1,017,755	650,516	3,531,687	15,037,845	1,921,225	2,776,475	
Returns with Schedule C-EZ:									
Number of returns	47,363	21,403	10,225	15,736	82,584	378,954	75,963	260,176	
Business receipts	315,939	154,591	84,991	76,358	442,373	3,094,790	345,483	1,488,837	
Business deductions	39,780	16,923	* 7,739	15,117	53,551	376,604	53,092	142,819	
Net income	276,159	137,667	77,251	61,241	388,822	2,718,186	292,391	1,346,019	

Footnotes at end of table.

Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2008—Continued

Footnotes

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

**Data combined to prevent disclosure of taxpayer information.

[1] Includes returns with Schedule C-EZ attached. Schedule C-EZ was filed for certain small businesses, i.e., those with net incomes, business expenses of \$5,000 or less, used the cash accounting method, with no inventories or employees, and with no deduction for a home office business and no allowable "passive" activity losses. Because only a total is

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

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

[4] Less than \$500.

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

Foreign-Controlled Domestic Corporations, 2007

by James R. Hobbs

For Tax Year 2007, the 64,026 U.S. domestic corporations, each controlled by a foreign “person,” generated \$4.2 trillion of total receipts with \$11.2 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 2007, by 9.8 percent and 14.6 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 14.7 percent of the receipts and 13.7 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 \$152.3 billion for 2007. This was an 11.8-percent decrease from the amount reported for the prior year. Placed in context, the profits reported on all corporation income tax returns decreased by 5.0 percent from the prior year, to \$1.8 trillion for 2007.² FCDCs accounted for 8.3 percent of the profits reported by all corporations for 2007, down from 8.9 percent for 2006.

Of the 64,026 FCDCs, 30,929 reported positive profits for 2007, totaling \$226.4 billion. This was a 5.4-percent increase over the prior-year amount. These profitable companies for 2007 also reported \$183.8 billion of taxable income (i.e., “income subject to tax”), an increase of 7.4 percent over the prior year. The U.S. tax liability (i.e., “total income tax after credits”) of FCDCs was \$52.8 billion for 2007, 5.8 percent more than that of the prior year.

For 2007, there were 4,287 “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, 95.0 percent of total receipts, 93.7 percent of profits, 93.9 percent of taxable income, and 93.0 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 2007. Tables 2, 3, and 4 concentrate on Tax Year 2007 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 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

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¹ For additional 2007 statistics covering foreign-controlled domestic corporations (FCDCs), see Tables 24 and 25 of *Statistics of Income—2007, Corporation Income Tax Returns*, IRS Publication 16, March 2010. Statistics for tax years prior to 2007 are available in earlier editions of Publication 16. Additionally, for 2006 statistics covering FCDCs, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2006,” *Statistics of Income Bulletin*, Summer 2009, Volume 29, 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 2010, Volume 29, 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—2007, Corporation Income Tax Returns*, IRS Publication 16, March 2010. Statistics for tax years prior to 2007 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.

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 1998–2007. There were 61,658 returns of foreign-controlled domestic corporations for 1998; 64,026 for 2007. 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 1998 to 1.1 percent for 2007. 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 1998, 1120S returns comprised 53.4 percent of all corporation returns (2,588,088 of the total 4,848,888 returns); for 2007, 68.0 percent of all returns (3,989,893 of the total 5,868,849 returns). FCDCs are not eligible to elect to be treated as S corporations for Federal income tax purposes.

The counts 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 group. A consolidated return filed by a common parent is treated as a single 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

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 2007, there were only 4,135 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$284.5 billion of assets, \$130.4 billion of receipts, \$9.2 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—2007, 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.

Foreign-Controlled Domestic Corporations, 2007

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Figure A

Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 1998–2007



domestic corporations. For 2007, there were 6,150 consolidated returns filed by FCDCs, 9.6 percent of all FCDC returns. These returns accounted for the majority of economic activity reported by all FCDCs. Specifically, they accounted for \$9.9 trillion of assets (88.7 percent of the total for all FCDCs), \$3.6 trillion of receipts (86.2 percent of the total), \$130.2 billion of profits (85.5 percent of the total), \$161.4 billion of taxable income (87.8 percent of the total), and \$45.7 billion of total income tax after credits (86.5 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 during the 1998-2007 time period.

The assets of domestic corporations controlled by foreign persons increased by 184.9 percent between 1998 and 2007, as compared to the 118.2-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 accounted for by FCDCs increased from 10.5 percent for 1998 to 13.7 percent for 2007 (see Figure A).

Total receipts of FCDCs increased by 123.1 percent between 1998 and 2007, as compared to the increase of 66.0 percent for all corporations. As a result, the share of the receipts reported on all corporate returns attributed to FCDCs increased from 10.9 percent for 1998 to 14.7 percent for 2007.

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 1998 and 2007 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.

Foreign-Controlled Domestic Corporations, 2007

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Figure B

Foreign-Controlled Domestic Corporations: Selected Items, by Industrial Sector, Tax Year 2007

[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 [1]	64,026	100.0	11,161,430	100.0	4,217,409	100.0
Agriculture, forestry, fishing, and hunting	906	1.4	8,663	0.1	10,538	0.2
Mining	1,125	1.8	158,447	1.4	78,493	1.9
Utilities	230	0.4	115,480	1.0	45,480	1.1
Construction	1,835	2.9	46,910	0.4	51,738	1.2
Manufacturing	6,601	10.3	2,508,531	22.5	1,858,326	44.1
Wholesale and retail trade	19,633	30.7	654,814	5.9	1,093,074	25.9
Wholesale trade	15,780	24.6	563,553	5.0	938,126	22.2
Retail trade	3,853	6.0	91,261	0.8	154,948	3.7
Transportation and warehousing	2,112	3.3	77,206	0.7	63,929	1.5
Information	2,583	4.0	392,798	3.5	111,475	2.6
Finance and insurance	3,100	4.8	5,550,187	49.7	568,706	13.5
Real estate and rental and leasing	12,407	19.4	175,388	1.6	31,919	0.8
Professional, scientific, and technical services	8,387	13.1	165,193	1.5	94,620	2.2
Management of companies (holding companies)	1,685	2.6	1,133,164	10.2	112,919	2.7
Administrative and support and waste management and remediation services	1,417	2.2	44,884	0.4	40,592	1.0
Educational services	106	0.2	5,250	[2]	1,822	[2]
Health care and social assistance	33	0.1	34,340	0.3	11,119	0.3
Arts, entertainment, and recreation	590	0.9	13,396	0.1	5,587	0.1
Accommodation and food services	852	1.3	71,182	0.6	31,321	0.7
Other services	368	0.6	5,558	[2]	5,745	0.1

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

[2] Less than 0.05 percent.

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

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 2007, 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, 43,175 of the

64,026 (more than two-thirds of the total) had primary business activities in one of the following four industrial sectors: (1) wholesale trade (15,780); (2) real estate and rental and leasing (12,407); (3) professional, scientific, and technical services (8,387); and (4) manufacturing (6,601). By comparison, relatively few FCDCs were primarily involved in utilities (230), educational services (106), and health care and social assistance (33). The Data Sources and Limitations section of this article 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 primarily engaged in wholesale trade differ

¹⁰ Statistics classified by industry do have certain limitations. For example, FCDCs accounted for 24.2 percent and 23.7 percent of the receipts of all companies classified as wholesalers and manufacturers, respectively. However, these percentages may overstate the FCDC portion of wholesaling and understate the FCDC portion of manufacturing. This is because certain U.S. companies (not foreign-controlled) and their subsidiaries may have been involved in both manufacturing and wholesaling of the same product(s) and reported tax information for these activities on a single (consolidated) income tax return, which was statistically classified under the industry of its principal business activity, that being manufacturing, rather than trade. Conversely, many 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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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 \$1.66 of receipts for each dollar of end-of-year assets for 2007. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDCs produced only \$.08 of receipts for each dollar of end-of-year assets. See Table 2.

Corporations classified as wholesalers accounted for 22.2 percent of the receipts for all FCDCs, a significant percentage, as is the 24.6 percent of total FCDC returns that they comprised. However, these companies reported only 5.0 percent of total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.6 percent of the assets and 0.8 percent of the receipts of all FCDCs. These percentages were both substantially less than the 19.4 percent of the FCDC returns that they filed.

Corporations classified in the professional, scientific, and technical services industrial sector reported only 1.5 percent of the assets and 2.2 percent of the receipts of all FCDCs. Both of these percentages are significantly lower than the portion (13.1 percent) of total FCDC returns that this service sector represented. These service corporations were often small, with reported average amounts of assets and receipts of \$19.7 million and \$11.3 million, respectively.

Manufacturing corporations filed 10.3 percent of the FCDC returns for 2007. These capital-intensive, goods-producing companies accounted for far greater percentages of the total FCDC assets (22.5 percent) and receipts (44.1 percent). These corporations were often large, with reported average amounts of assets and receipts of \$380.0 million and \$281.5 million, respectively.

Two additional sectors warrant discussion.

While corporations classified in the finance and insurance industrial sector composed only 4.8 percent of the total returns filed by FCDCs for 2007, they accounted for the largest share (49.7 percent) of the total assets reported for any of the industrial sectors. Additionally, finance and insurance companies accounted for 13.5 percent of the total FCDC receipts.

Management (or holding) companies contributed a significant portion (10.2 percent) of the FCDC total assets. However, this sector accounted for smaller portions of both the number of returns (2.6 percent) filed by FCDCs and the receipts (2.7 percent) reported by them.

While foreign-controlled domestic corporations accounted for 14.7 percent of the \$28.8 trillion of total receipts reported by all corporations that filed U.S. income tax returns for 2007, these companies played disproportionately larger roles in certain industrial sectors. For instance, FCDCs produced substantial portions of the total receipts reported for wholesale trade (24.2 percent), manufacturing (23.7 percent), and mining (19.9 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: construction (3.2 percent), "other" services (2.7 percent), and health care and social assistance (1.8 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 2007, FCDCs in 16 minor industries each reported more than \$50 billion of total receipts. The largest minor industry was petroleum manufacturing refineries with \$614 billion of receipts. See Figure D.

Country Characteristics

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

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Figure C

Total Receipts of All Corporations and Foreign-Controlled Domestic Corporations, by Industrial Sector, Tax Year 2007

[Money amounts are in millions of dollars]

Industrial sector	Total receipts		
	All corporations	Foreign-controlled domestic corporations	Percentage
	(1)	(2)	(3)
All industries [1]	28,762,924	4,217,409	14.7
Agriculture, forestry, fishing, and hunting	154,833	10,538	6.8
Mining	395,103	78,493	19.9
Utilities	714,001	45,480	6.4
Construction	1,611,668	51,738	3.2
Manufacturing	7,827,823	1,858,326	23.7
Wholesale and retail trade [2]	7,501,751	1,093,074	14.6
Wholesale trade	3,869,099	938,126	24.2
Retail trade	3,632,456	154,948	4.3
Transportation and warehousing	777,287	63,929	8.2
Information	1,162,900	111,475	9.6
Finance and insurance	4,134,554	568,706	13.8
Real estate and rental and leasing	391,559	31,919	8.2
Professional, scientific, and technical services	1,017,043	94,620	9.3
Management of companies (holding companies)	1,145,820	112,919	9.9
Administrative and support and waste management and remediation services	497,728	40,592	8.2
Educational services	41,686	1,822	4.4
Health care and social assistance	614,124	11,119	1.8
Arts, entertainment, and recreation	101,154	5,587	5.5
Accommodation and food services	461,358	31,321	6.8
Other services	212,453	5,745	2.7

[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.

for a brief discussion of the possible limitations of the data classified on a country basis.)

For 2007, residents of 41 countries accounted for nearly nine of every ten domestic corporations classified as 50-percent-or-more controlled by a foreign person. The 57,456 corporations controlled by persons resident in the 41 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.5 percent of total assets, 99.0 percent of total receipts, 99.2 percent of taxable income, and 99.2 percent of total income tax after credits.

From among these 41 countries, domestic corporations controlled by persons from just seven countries produced 78.6 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 \$965 billion for 2007, an amount larger than that for any other country. These receipts represented 22.9 percent of the total for all FCDCs. As shown in Figure E, the United Kingdom's share of 2007 FCDC receipts is substantially larger than its share of 1998 FCDC receipts (i.e., 12.9 percent).

For 2007, domestic corporations with owners resident in Japan (\$639 billion), Germany (\$484 billion), Canada (\$361 billion), the Netherlands (\$303 billion), France (\$284 billion), and Switzerland (\$277 billion) also accounted for significant amounts of receipts. Of these six countries, Switzerland's portion of total receipts increased the most between 1998 and 2007 (from 5.0 percent to 6.6 percent), while the portion for Japan decreased the most (from 23.7 percent to 15.1 percent). Significantly

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Figure D

Foreign-Controlled Domestic Corporations: Selected Items for the Largest Minor Industries, Tax Year 2007

[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)	14	638,409	614,229	26,113	26,122	25,928	5,563	0.9
Motor vehicles and parts (manufacturers)	448	500,049	269,824	-1,340	4,403	3,479	1,089	0.4
Stock life insurance companies	60	1,334,267	222,471	4,441	6,193	3,985	1,257	0.6
Motor vehicles and motor vehicle parts and supplies (wholesalers)	846	122,981	176,633	3,594	4,104	3,742	1,386	0.8
Electrical and electronic goods (wholesalers)	1,221	85,054	162,962	1,855	2,735	1,748	539	0.3
Securities brokerage	93	1,685,138	158,493	-17,294	2,371	1,919	711	0.4
Petroleum and petroleum products (wholesalers)	50	44,349	112,209	1,759	2,139	2,123	694	0.6
Pharmaceutical and medicine (manufacturers)	120	194,412	107,805	19,196	20,308	20,026	6,283	5.8
Offices of bank holding companies	34	1,052,475	105,442	9,352	9,756	9,653	2,970	2.8
Food and beverage stores (retailers)	123	40,330	85,340	2,105	2,264	1,520	525	0.6
Furniture, sports, toys, recycle, jewelry, and other durable goods (wholesalers)	2,212	35,965	79,618	1,750	2,349	2,137	691	0.9
Metal and mineral, except petroleum (wholesalers)	571	33,059	66,287	1,400	1,570	1,367	436	0.7
Professional and commercial equipment and supplies (wholesalers)	2,354	33,505	61,526	1,415	1,969	1,624	505	0.8
Basic chemicals (manufacturers)	110	85,171	60,537	1,810	2,336	1,974	702	1.2
Machinery, equipment, and supplies (wholesalers)	2,584	37,403	56,985	1,332	1,806	1,654	549	1.0
Investment banking and securities dealing	80	1,062,923	52,233	-3,341	353	339	133	0.3

NOTES: This figure includes minor industries with at least \$50 billion of total receipts. These industries are listed by decreasing size of total receipts (column 3). Percentages are computed using rounded data.

reduced portions during this 10-year period were also true for Germany (14.2 percent reduced to 11.5 percent) and the Netherlands (10.8 percent reduced to 7.2 percent). Figure E shows that the portion of FCDC total receipts accounted for by countries other than the largest seven increased in size during the 10-year period, from 17.7 percent to 21.4 percent. For 2007, the countries with the largest receipts included in this “other” grouping were: Bermuda (\$85 billion), South Korea (\$81 billion), Luxembourg (\$63 billion), Sweden (\$58 billion), Australia (\$54 billion), and Belgium (\$50 billion).

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$2.7 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in Germany (\$1.6 trillion), Switzerland (\$1.3 trillion), Canada (\$1.2 trillion), France (\$1.1 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 2007, the U.K. was not responsible for the largest number of returns filed for FCDCs. Canadian-controlled domestic corporations filed the most returns, 10,762. However, U.K.-controlled domestic corporations were second with 5,556 returns, followed by Japanese-controlled domestic corporations with 5,185 returns and German-controlled domestic corporations with 4,444 returns.

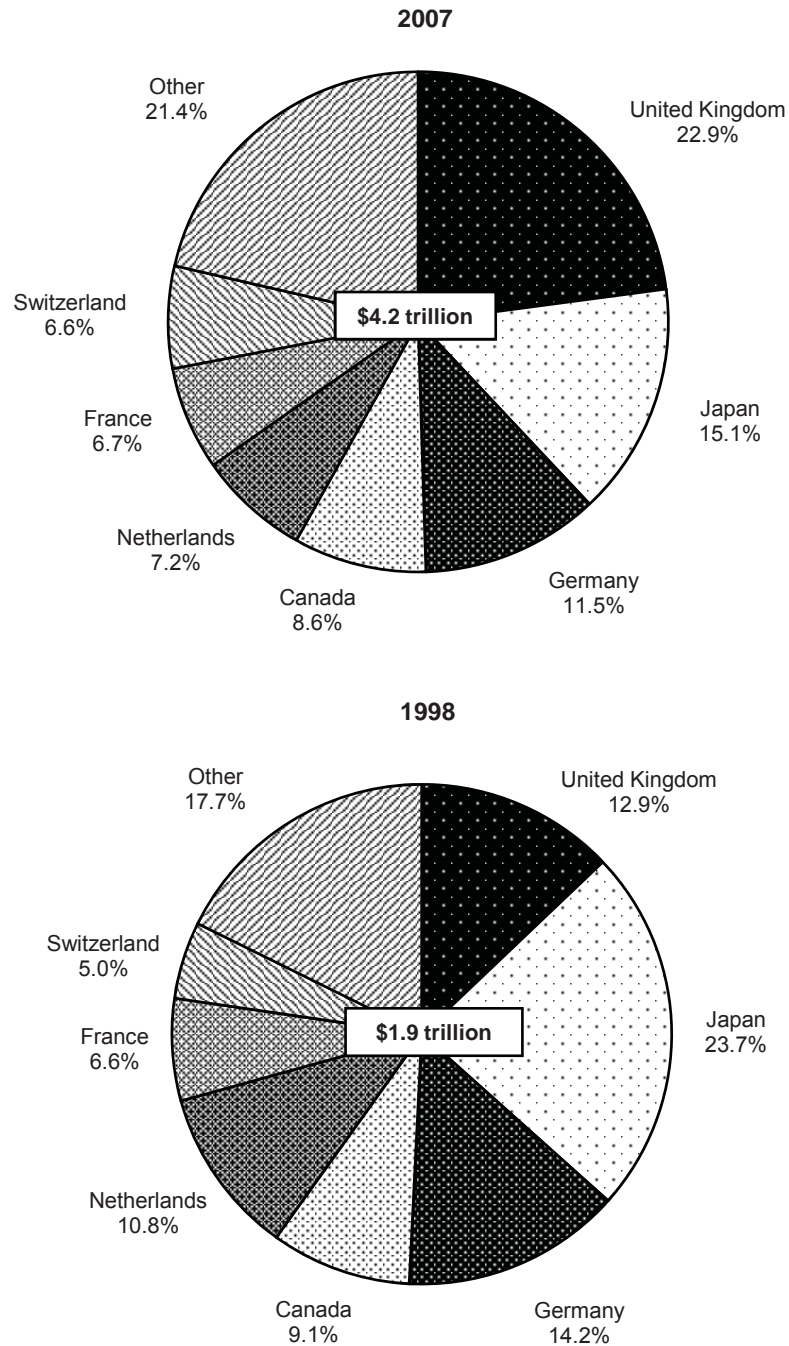
For 2007, the U.S. tax liability of all FCDCs was \$52.8 billion, or 1.3 percent of the \$4.2 trillion of receipts reported by all FCDCs. U.K.-controlled domestic corporations reported the largest amount of U.S. tax liability (\$13.4 billion). Japanese-controlled corporations, with \$7.3 billion of tax liability, followed. For the U.K.-controlled corporations, tax

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Figure E

Foreign-Controlled Domestic Corporations: Distribution of Total Receipts by Country of Foreign Owner, Tax Years 1998 and 2007



NOTE: All amounts are in current dollars.

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liabilities were 1.4 percent of their \$1.0 trillion of receipts. Tax liabilities were somewhat lower at 1.1 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. Figure F shows the industries that accounted for at least 10 percent of the total receipts of each of these countries.

For the United Kingdom, manufacturing was the predominant industrial sector, accounting for 67.0 percent of its total \$965 billion of receipts. More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group, accounting for \$505 billion, or 52.3 percent of the country total.

Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$639 billion of receipts: wholesale trade (52.1 percent of the total) and manufacturing (35.0 percent). Japan was the only country of the top seven in which wholesale trade was the leading industrial sector in producing receipts. More specifically, wholesale trade of durable goods was the leading major industrial group, producing 45.4 percent of the total receipts for this country. The second largest major industrial group was transportation equipment manufacturing with 21.7 percent of the receipts.

Like those in the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 51.1 percent of the \$484 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 21.0 percent of the total. Wholesale trade (15.2 percent) and finance and insurance (14.8 percent) were the other predominant industrial sectors.

Canadian-controlled corporations were primarily concentrated in manufacturing, which accounted for

33.1 percent of the \$361 billion of receipts for that country. This sector was followed by finance and insurance (21.5 percent) and wholesale trade (17.5 percent). Insurance carriers reported 15.9 percent of the total receipts and wholesalers of nondurable goods accounted for 10.9 percent of the receipts, the only major groups that produced at least 10 percent of the total Canadian receipts.

For the Netherlands, finance and insurance was the largest industrial sector with 32.3 percent of the total receipts (\$303 billion). This sector was followed by manufacturing (21.4 percent) and retail trade (15.2 percent). Insurance carriers reported 25.6 percent of the total receipts for this country, the largest portion for any major industrial group.

For France, manufacturers produced 41.6 percent of the \$284 billion of receipts for this country. This was followed by finance and insurance (24.9 percent) and wholesale trade (15.7 percent). More specifically, petroleum and coal products manufacturers and insurance carriers each produced 12.0 percent of the receipts for the country, the largest portion of any major industrial group. These two groups were followed closely by securities, commodity contracts, and other financial investments dealers with 11.1 percent of the total receipts.

For Switzerland, 36.3 percent of the \$277 billion of receipts came from the finance and insurance sector, followed by manufacturing with 32.2 percent and wholesale trade with 26.8 percent. More specifically, businesses that handled securities and commodity contracts and other financial investments were the leading major industry, accounting for 27.4 percent of the total receipts for the country. Other important major industries were wholesalers of nondurable goods (21.9 percent) and chemical manufacturers (15.5 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 2005 or after, as reported on its income tax return. An “old” corporation is one incorporated in or prior to 2004, or with an unknown (i.e., unreported) date of incorporation.¹¹

The year of incorporation may be somewhat unreliable as an indicator of the true age of a

¹¹ Dates of incorporation are reported on Form 1120, page 1, question C. This information is also reported on Forms 1120L, 1120-PC, 1120-REIT, and 1120-RIC, in different locations.

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Figure F

Foreign-Controlled Domestic Corporations: Selected Items for Selected Countries and Selected Industries, Tax Year 2007

[Money amounts are in millions of dollars]

Country and 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)
United Kingdom, total	5,556	2,717,756	965,257	45,420	51,101	47,584	13,366	1.4
Manufacturing	430	835,339	646,403	27,227	28,035	26,966	6,834	1.1
Petroleum and coal products manufacturing	3	591,736	504,583	17,393	17,393	17,295	3,702	0.7
Japan, total	5,185	752,738	638,586	19,984	26,319	22,900	7,300	1.1
Manufacturing	817	210,011	223,332	5,519	7,192	5,973	1,899	0.9
Transportation equipment manufacturing	225	133,085	138,557	2,869	3,521	2,951	947	0.7
Wholesale trade	1,975	184,955	332,693	11,422	12,225	11,004	3,584	1.1
Wholesale trade, durable goods	1,443	152,718	289,677	7,753	8,477	7,659	2,451	0.8
Germany, total	4,444	1,649,154	483,939	9,478	21,342	14,748	4,975	1.0
Manufacturing	784	524,089	247,058	5,018	10,357	9,441	3,011	1.2
Chemical manufacturing	44	73,451	57,474	5,005	5,312	5,007	1,599	2.8
Transportation equipment manufacturing	62	340,606	101,622	-4,029	236	128	39	[1]
Wholesale trade	898	77,132	73,761	1,292	1,736	1,233	522	0.7
Wholesale trade, durable goods	669	69,565	61,577	1,039	1,374	921	426	0.7
Finance and insurance	96	904,716	71,534	-1,252	3,238	1,112	386	0.5
Canada, total	10,762	1,169,813	360,757	14,795	21,766	13,433	4,288	1.2
Manufacturing	1,026	107,124	119,273	2,941	5,166	4,207	1,284	1.1
Wholesale trade	2,202	47,418	63,111	2,774	3,228	2,565	861	1.4
Wholesale trade, nondurable goods	986	36,608	39,272	2,277	2,507	1,959	663	1.7
Finance and insurance	446	702,058	77,704	6,459	7,865	2,269	635	0.8
Insurance carriers and related activities	39	439,883	57,198	4	1,298	1,229	287	0.5
Netherlands, total	2,021	931,142	303,480	14,630	17,445	14,277	2,772	0.9
Manufacturing	187	103,080	64,936	5,928	6,369	5,920	333	0.5
Wholesale trade	252	16,476	35,214	617	776	596	207	0.6
Retail trade	276	21,255	46,177	895	998	167	65	0.1
Food, beverage and liquor stores	5	13,699	36,300	572	572	18	9	[1]
Finance and insurance	97	697,841	98,029	2,405	3,072	2,050	604	0.6
Insurance carriers and related activities	12	428,601	77,615	1,968	1,968	1,723	491	0.6
France, total	2,159	1,145,786	284,453	16,653	19,623	13,724	4,120	1.4
Manufacturing	281	167,675	118,384	5,007	6,307	5,619	1,487	1.3
Petroleum and coal products manufacturing	d	12,475	34,178	771	771	771	267	0.8
Wholesale trade	737	39,235	44,740	2,896	3,196	3,152	1,038	2.3
Finance and insurance	194	744,561	70,885	5,514	6,079	2,395	783	1.1
Securities, commodity contracts, and other financial investments and related activities	30	372,933	31,573	1,305	1,841	1,694	547	1.7
Insurance carriers and related activities	30	218,084	34,152	673	679	540	222	0.7
Switzerland, total	1,462	1,271,975	277,184	-3,095	14,567	12,963	4,341	1.6
Manufacturing	202	114,622	89,116	10,294	10,610	9,823	3,250	3.6
Chemical manufacturing	34	53,353	42,975	8,039	8,078	7,973	2,617	6.1
Wholesale trade	423	19,249	74,183	572	950	885	290	0.4
Wholesale trade, nondurable goods	29	12,426	60,729	238	505	487	159	0.3
Finance and insurance	107	1,126,246	100,724	-14,170	2,556	1,964	708	0.7
Securities, commodity contracts, and other financial investments and related activities	50	905,169	75,857	-15,489	293	308	120	0.2

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

[1] Less than 0.05 percent.

NOTES: This figure includes the 7 countries with the largest amounts of total receipts. For each of these countries, this table also includes industries that accounted for at least 10 percent of the total receipts of the country. Percentages are computed using rounded data.

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corporation. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year 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 2007, there were 14,582 FCDCs incorporated in 2005 or after. Real estate accounted for the greatest portion of these “new” corporations with 3,030 companies, followed closely by professional, scientific, and technical services with 3,027 companies and wholesalers with 2,863 companies.

More than three out of every four foreign-controlled domestic corporations were incorporated prior to 2005, i.e., considered to be “old” corporations. These corporations tended to be larger than the new corporations, accounting for 94.1 percent of the FCDC assets and 93.1 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 2007, old corporations reported \$151.0 billion of net profits on \$3.9 trillion of receipts, while new corporations reported \$1.2 billion of net profits on \$0.3 trillion of receipts. Thus, net profits (i.e., net income less deficit) as a percentage of total receipts were 3.8 percent for old corporations, versus 0.4 percent for new corporations.

As a result of reporting most of the profits, old corporations also accounted for most of U.S. taxable income (95.0 percent) and U.S. tax liabilities (94.5 percent) of all FCDCs. The old corporations had

\$49.9 billion of tax liabilities after credits, equaling 1.3 percent of their total receipts. The new corporations had \$2.9 billion of tax liabilities after credits, equaling 1.0 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 services, 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

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, 2006,” *Statistics of Income Bulletin*, Fall 2009, Volume 29, 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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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.

Nearly 85.3 percent of the \$4.2 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 \$4.1 trillion of total deductions. Cost of goods sold was 64.8 percent of that total. (See “business receipts” and “cost of goods sold” in the Explanation of Selected Terms section of this article.)

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 \$.78 of cost of goods sold for every dollar of business receipts, while the amount was \$.73 for all other corporations classified in this sector. Thus, FCDCs had smaller gross profits than other corporations, \$.22 compared to \$.27 for every dollar of business receipts. In wholesale trade, all FCDCs reported \$.84 of cost of goods sold for every dollar of business receipts. The amount was slightly less (\$.82) for all other corporations classified in this sector. As a result, FCDCs had smaller gross profits than other corporations, \$.16 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 2007. Interest paid by FCDCs for that year amounted to

\$360.4 billion, 8.9 percent of their total deductions. Complete income statement statistics of FCDCs are shown in Tables 24 and 25 of *Statistics of Income—2007, Corporation Income Tax Returns*.

Total receipts less total deductions for FCDCs equaled \$145.5 billion for 2007. By comparison, net income (less deficit) amounted to \$152.3 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 of this article.) For 2007, FCDCs reported \$7.9 billion of constructive taxable income, and received \$1.1 billion of nontaxable interest on State and local government obligations.

Net income (less deficit) for foreign-controlled domestic corporations decreased from \$172.6 billion for 2006, to \$152.3 billion for 2007. This was an 11.8-percent decrease. In comparison, net income (less deficit) reported on all corporation income tax returns decreased by 5.0 percent between 2006 and 2007, to \$1.8 trillion.

The \$152.3 billion of total FCDC net income (less deficit) were the result of 30,929 corporations collectively reporting \$226.4 billion of positive net income and 33,097 companies reporting \$74.2 billion of deficits.¹⁴ Thus, less than one out of every two (48.3 percent) domestic corporations with foreign owners reported a positive net income for 2007.

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)

¹⁴ The 33,097 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

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In comparison, 57.4 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 10.4 percent for educational services, to a high of 83.8 percent for transportation and warehousing. For the more predominant sectors of FCDCs, the percentages of profitable companies were 54.2 percent for manufacturing and 48.5 percent for wholesale trade.

The \$74.2 billion of deficits for 2007 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 of this article). Net operating losses carried back to Tax Year 2007 from 2008 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 2007 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 2007, the difference between the \$226.4 billion of positive net income and \$183.8 billion of taxable income was, for the most part, the result of statutory special deductions. The net operating loss deduction was \$32.5 billion and accounted for 68.6 percent of the \$47.4 billion of total statutory special deductions. In calculating taxable income for 2007, FCDCs reduced their positive net incomes by 14.4 percent using NOLs carried over from prior years.

For 2007, foreign-controlled domestic corporations reported \$183.8 billion of taxable income. This

was the base on which \$64.2 billion of income tax were computed. The \$65.1 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 \$0.9 billion, and the remaining taxes comprised a very small part of the total.

Tax credits totaling \$12.2 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations from \$65.1 billion to \$52.8 billion for 2007. The largest credits claimed were \$10.1 billion of foreign tax credits, \$1.5 billion of general business credits, and \$0.6 billion of prior-year minimum tax credits. The \$52.8 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 2007. The originally reported tax liability does not take into account either: (1) amended or superseded 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 carryback 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 2007 was 34.7 percent, slightly less than the 35.3 percent for 2006. However, the amount of tax liability reported by FCDCs increased to \$52.8 billion for 2007 from \$50.0 billion for 2006, a 5.8-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.

¹⁵ When a company carried back a deficit to a previous tax year, it could file 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.

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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 G through I. 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 G through I, 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 19,607 large domestic corporations for 2007. Of this total, foreign persons controlled 4,287 corporations, or 21.9 percent. This percentage is remarkably larger than the 1.1 percent that FCDCs accounted for of all corporations, regardless of size.

The 4,287 large foreign-controlled domestic corporations comprised just 6.7 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, 95.0 percent of the total receipts, 93.9 percent of the taxable income, and 93.0 percent of the total income tax after credits, of all FCDCs.

There were 15,320 large domestic corporations that did not have controlling foreign owners for 2007. 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 2005. Of the 4,287 large FCDCs contained in the Tax Year 2007 study, 88.7 percent were old corporations. Other large domestic corporations were similar to the FCDCs in this respect, with old corporations accounting for 90.5 percent of this group of 15,320 corporations.

Collectively, the largest companies reported lower profits as a percentage of receipts than did their smaller counterparts. For 2007, the largest FCDCs reported net profits of \$142.7 billion, 3.6 percent of the companies’ receipts. The smaller FCDCs reported net profits of \$9.5 billion, 4.5 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 2007, 36.2 percent of the largest FCDCs were classified as manufacturers, while manufacturers made up just 21.0 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, 12.7 percent of the largest ODCs were classified in finance and insurance, while this sector made up just 8.2 percent of the largest FCDCs. Retailers accounted for 10.5 percent of the largest domestic companies that were not foreign-controlled, while only 2.6 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

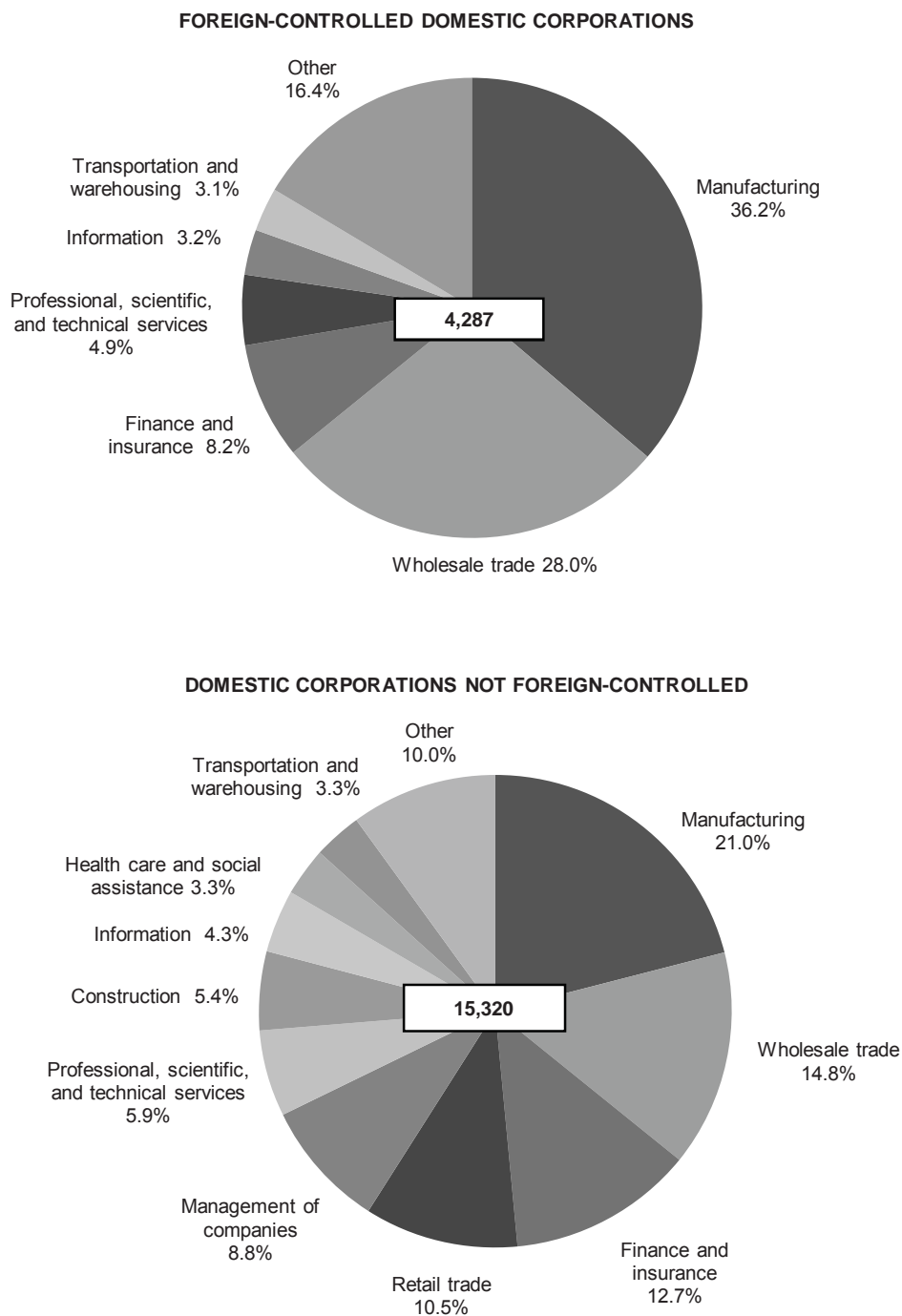
¹⁷ Data for domestic corporations that filed Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations) are excluded from the comparisons between large FCDCs and other large domestic corporations shown in Figures G through I, and Table 4. However, 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 G

Distribution of Returns by Industry for "Large" Foreign-Controlled and Other Domestic Corporations, Tax Year 2007



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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shows the percentage of returns that reported profits (i.e., positive net income). While 73.5 percent of large FCDCs reported profits, 74.9 percent of other large domestic corporations were profitable. There are 19 different industrial sectors shown in the table, treating wholesale trade and retail trade as separate sectors. However, column 43 shows FCDC data for only 17 of the sectors because two FCDC sectors were suppressed for disclosure purposes. Other domestic corporations (ODCs) had higher percentages of profitable companies in 10 sectors; FCDCs had higher percentages in the other 7 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 (3.6 percent) was considerably smaller than for ODCs (6.2 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, 4.3 percent for FCDCs versus 6.5 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 17 different industrial sectors shown in the table (excluding two sectors for disclosure reasons), ODCs had higher taxable income as a percentage of receipts in 11 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 (\$49.2 billion) and ODCs (\$253.9 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 H1 and H2 present 12 categories of U.S. tax liability as a percentage of total receipts, shown separately for large FCDCs and for large ODCs. For 2007, Figure H1 shows that large FCDCs reported \$49.2 billion of total income tax after credits, 1.2 percent of their total receipts. Column 3 of Figure H1 shows that 28.9 percent of FCDCs had no U.S. tax liabilities, 64.2 percent of the companies had tax liabilities of less than 1.0 percent of their receipts, and 89.5 percent of the companies had tax liabilities of less than 4.0 percent of their receipts. By comparison, Figure H2 shows that large domestic corporations not foreign-controlled reported \$253.9 billion of total income tax after credits, 1.7 percent of their total receipts. For these companies, 27.1 percent had no tax liabilities, 62.3 percent had tax liabilities

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—2007, 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 2007, the largest FCDCs reported \$59.7 billion of total retained earnings, while other large domestic corporations reported \$4.1 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 Costa, Melissa, “Corporate Foreign Tax Credit, 2005,” in the Summer 2009 issue of the *Statistics of Income Bulletin* (Volume 29, 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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Figure H1

"Large" Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2007

[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	4,287	100.0	N/A	3,802	88.7	10,547,214	2,461	4,007,058	935
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	3	0.1	0.1	d	d	5,176	1,725	0	0
Zero percent	1,240	28.9	29.0	1,037	83.6	1,782,522	1,438	730,060	589
Greater than zero and under 0.5 percent	1,128	26.3	55.3	1,039	92.1	4,593,786	4,073	1,516,583	1,344
0.5 percent under 1.0 percent	381	8.9	64.2	345	90.6	1,140,560	2,994	444,174	1,166
1.0 percent under 1.5 percent	320	7.5	71.7	289	90.3	694,808	2,171	351,994	1,100
1.5 percent under 2.0 percent	254	5.9	77.6	231	90.9	323,744	1,275	311,239	1,225
2.0 percent under 3.0 percent	332	7.7	85.3	304	91.6	419,474	1,263	266,372	802
3.0 percent under 4.0 percent	180	4.2	89.5	158	87.8	233,488	1,297	82,503	458
4.0 percent under 5.0 percent	118	2.8	92.3	106	89.8	156,857	1,329	69,684	591
5.0 percent under 7.5 percent	168	3.9	96.2	159	94.6	736,899	4,386	116,808	695
7.5 percent under 10.0 percent	53	1.2	97.4	d	d	115,362	2,177	49,135	927
10.0 percent or more	108	2.5	100.0	88	81.5	344,539	3,190	68,507	634

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	3,870,956	136,103	142,729	201,100	-58,371	172,571	61,208	49,157	11
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	0	0	20	20	0	20	7	6	2
Zero percent	761,523	-31,462	-30,075	4,238	-34,313	1,947	657	0	0
Greater than zero and under 0.5 percent	1,508,276	8,307	10,292	34,160	-23,868	18,820	7,170	2,645	2
0.5 percent under 1.0 percent	429,404	14,769	16,230	16,381	-150	14,263	5,129	3,397	9
1.0 percent under 1.5 percent	331,100	20,894	21,125	21,125	0	18,379	6,484	4,482	14
1.5 percent under 2.0 percent	295,358	15,881	16,047	16,047	0	15,189	5,316	4,995	20
2.0 percent under 3.0 percent	243,904	22,468	22,560	22,560	0	21,558	7,553	6,806	21
3.0 percent under 4.0 percent	73,093	9,411	9,494	9,495	-1	8,562	2,991	2,861	16
4.0 percent under 5.0 percent	57,719	11,965	12,363	12,363	0	10,389	3,693	3,192	27
5.0 percent under 7.5 percent	95,013	21,794	22,330	22,330	0	22,038	7,715	6,957	41
7.5 percent under 10.0 percent	37,049	12,086	12,136	12,136	0	12,040	4,214	3,827	72
10.0 percent or more	38,517	29,990	30,208	30,246	-37	29,368	10,280	9,990	93

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

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 are those with dates of incorporation prior to 2005, 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.

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Figure H2

"Large" Domestic Corporations Not Foreign Controlled: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2007

[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	15,320	100.0	N/A	13,868	90.5	49,309,871	3,219	15,156,658	989
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	7	[1]	[1]	d	d	13,680	1,954	0	0
Zero percent	4,148	27.1	27.1	3,465	83.5	6,302,874	1,519	2,155,923	520
Greater than zero and under 0.5 percent	3,983	26.0	53.1	3,731	93.7	13,005,701	3,265	3,359,345	843
0.5 percent under 1.0 percent	1,415	9.2	62.3	1,305	92.2	3,745,849	2,647	2,280,379	1,612
1.0 percent under 1.5 percent	929	6.1	68.4	869	93.5	4,376,721	4,711	1,253,943	1,350
1.5 percent under 2.0 percent	766	5.0	73.4	697	91.0	3,266,512	4,264	1,385,079	1,808
2.0 percent under 3.0 percent	1,110	7.2	80.6	1,033	93.1	7,076,884	6,376	2,034,830	1,833
3.0 percent under 4.0 percent	737	4.8	85.4	692	93.9	3,321,338	4,507	927,557	1,259
4.0 percent under 5.0 percent	602	3.9	89.3	569	94.5	3,991,348	6,630	851,415	1,414
5.0 percent under 7.5 percent	869	5.7	95.0	823	94.7	2,214,999	2,549	564,395	649
7.5 percent under 10.0 percent	400	2.6	97.6	376	94.0	1,176,880	2,942	202,055	505
10.0 percent or more	354	2.3	100.0	d	d	817,086	2,308	141,739	400

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	14,302,189	854,469	935,296	1,060,275	-124,979	983,310	346,060	253,863	17
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	259	-259	-254	4	-259	0	0	0	0
Zero percent	2,252,327	-96,404	-80,504	25,192	-105,696	18,718	6,366	0	0
Greater than zero and under 0.5 percent	3,317,982	41,363	62,215	78,480	-16,264	43,262	16,025	5,080	1
0.5 percent under 1.0 percent	2,164,110	116,269	129,350	130,866	-1,516	122,624	43,306	18,319	13
1.0 percent under 1.5 percent	1,190,953	62,990	68,317	68,795	-478	63,600	22,685	15,525	17
1.5 percent under 2.0 percent	1,300,945	84,133	88,134	88,138	-5	85,238	29,837	23,969	31
2.0 percent under 3.0 percent	1,853,953	180,877	192,955	193,101	-145	187,419	65,779	50,037	45
3.0 percent under 4.0 percent	822,172	105,385	108,958	108,958	0	105,834	37,027	31,615	43
4.0 percent under 5.0 percent	720,823	130,592	133,807	133,807	0	129,220	45,223	37,739	63
5.0 percent under 7.5 percent	450,937	113,458	116,119	116,132	-13	114,039	40,166	34,390	40
7.5 percent under 10.0 percent	148,164	53,891	54,201	54,201	0	53,138	18,586	16,867	42
10.0 percent or more	79,565	62,174	61,998	62,602	-604	60,218	21,059	20,321	57

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

N/A—Not applicable.

[1] Less than 0.05 percent.

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 are those with dates of incorporation prior to 2005, 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.

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of less than 1.0 percent of their receipts, and 85.4 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 2007, large FCDCs claimed \$12.1 billion of credits, equaling 19.7 percent of their income tax liabilities before credits. Other large domestic corporations claimed \$92.2 billion of credits for the same tax year, equaling 26.6 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$10.0 billion by large FCDCs (16.3 percent of their tax liabilities) and \$75.7 billion by other large domestic corporations (21.9 percent of their tax liabilities).

Overall, while large FCDCs reported average tax liabilities after credits of \$1.23 per \$100 of receipts (or 1.23 percent), other domestic corporations reported tax liabilities after credits of \$1.67 per \$100 of receipts (or 1.67 percent). Of the 17 different industrial sectors shown in Table 4 (excluding two sectors for disclosure reasons), ODCs had higher tax to receipts ratios in 11 sectors.

Table 4 highlights, once again, the differences in financial characteristics of corporations in different industries. For instance, looking at large FCDCs, column 49 shows that retailers had receipts equal to 171.6 percent of their assets, while holding companies had receipts of only 10.0 percent of their assets. 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 45.3 percent of the total receipts of the group of corporations. Large manufacturing FCDCs, as well as ODCs, were primarily “old” corporations; 89.9 percent of FCDCs and 88.4 percent of ODCs were incorporated before 2005.

The percentage of large FCDCs in the manufacturing industrial sector that reported positive profits was similar to that for the ODCs, 70.7 percent and 70.5 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, 7.2 percent, than it was for FCDCs, 4.2 percent (see column 57 of Table 4). Net income (less deficit) as a percentage of total receipts for Tax Years 1998–2007 is shown in Figure I. The difference in the percentages for large FCDCs and large ODCs for Tax Year 2007 is similar to the differences for most of the 9 previous tax years.

Large manufacturing ODCs reported taxable incomes of 7.2 percent of their receipts, while the percentage for large FCDCs was smaller at 4.6 percent (see column 61 of Table 4). The ratios of total income tax after credits to total receipts for ODCs and FCDCs were 1.4 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 45.7 percent of their precredit income tax liabilities. For FCDCs, the percentage was substantially less, at 24.2 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 21.6 percent of the total receipts of the group of corporations. Most large FCDCs (92.4 percent), as well as ODCs (94.2 percent), in this sector were “old” corporations, incorporated before 2005.

The percentage of large ODCs in the wholesale trade industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 81.5 percent and 80.9 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 higher for ODCs (3.8 percent) than it was for FCDCs (2.7 percent). Figure I 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 10 Tax Years 1998–2007.

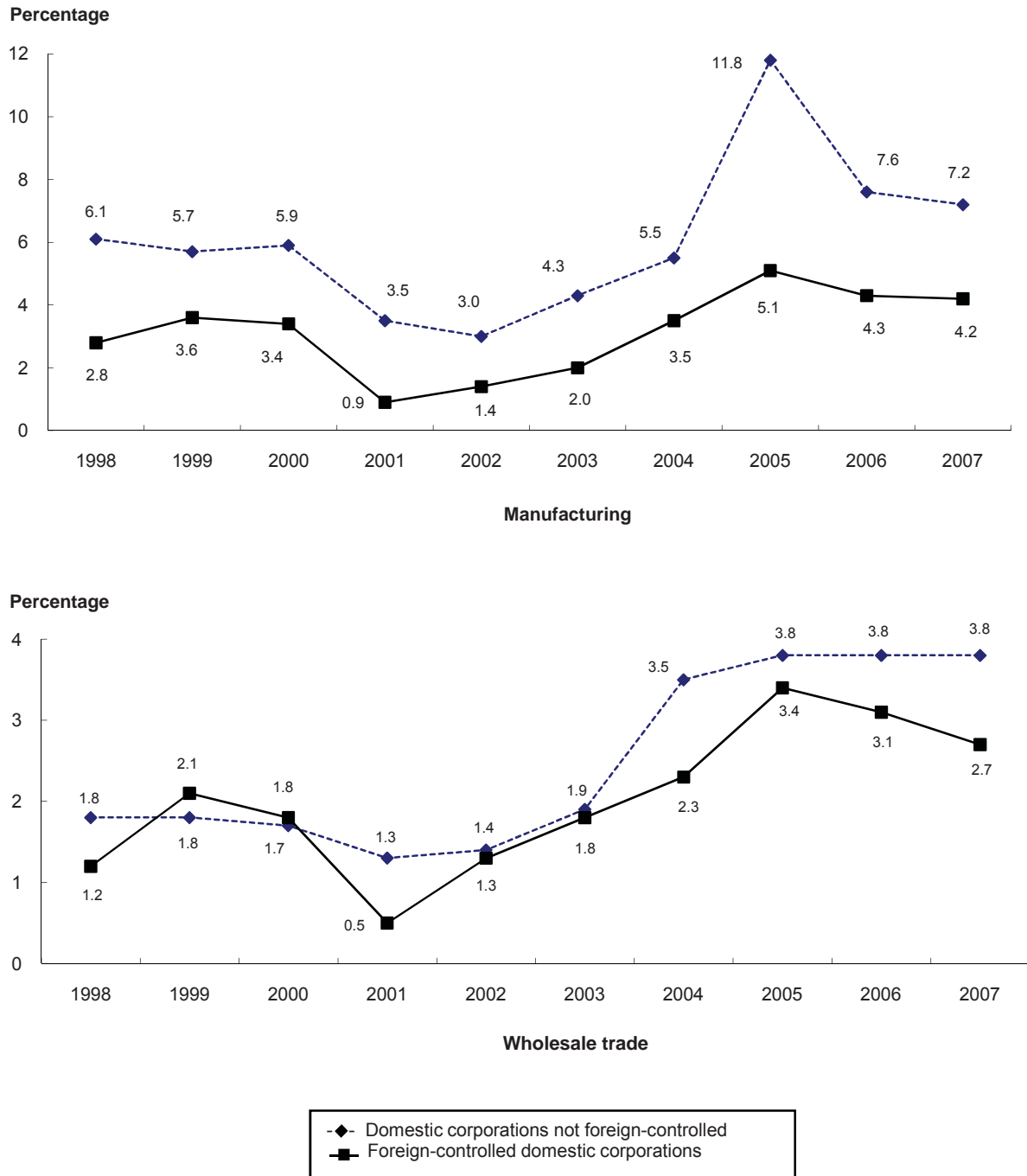
Large wholesale ODCs reported taxable incomes of 3.8 percent of their receipts, while the percentage was 2.6 for FCDCs. The ratio of total income tax after credits to total receipts was also higher for ODCs (1.3 percent) than that of FCDCs (0.9 percent). These latter percentages are, once again, impacted by the amount of credits claimed by both groups of corporations. ODCs and FCDCs claimed credits that

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Figure I

"Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts for Selected Industries, by Control Status, Tax Years 1998–2007



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. Data exclude Forms 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.

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each equaled 6.6 percent of their precredit income tax liabilities. For both groups of corporations, the foreign tax credit was the largest credit.

Summary

FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for Tax Year 2007. This percentage is much smaller than the percentages of receipts (14.7 percent) and assets (13.7 percent) that those FCDCs produced.

FCDC assets grew for 2007, as did the assets for all corporations. FCDC assets totaled \$11.2 trillion for 2007, a 14.6-percent increase from the previous year. By comparison, all corporations reported a total of \$81.5 trillion of assets for 2007, a 11.5-percent increase since the previous year. FCDCs accounted for 13.7 percent of total corporate assets for 2007, up from 13.3 percent for the previous year.

Foreign business activity in the United States through FCDCs grew for Tax Year 2007. FCDCs reported \$4.2 trillion of total receipts for the year, a 9.8-percent increase from the 2006 level. Total receipts reported on all U.S. corporation income tax returns increased comparatively less, by 5.0 percent from the previous year. As a result, the share of total corporate receipts accounted for by FCDCs increased from 14.0 percent to 14.7 percent.

Two industrial sectors, manufacturing and wholesale trade, generated two-thirds of the \$4.2 trillion of total FCDC receipts. Manufacturers produced \$1.9 trillion of receipts, while wholesalers accounted for an additional \$0.9 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$1.0 trillion, 22.9 percent of the FCDC total. In addition, FCDCs owned by persons in Japan (15.1 percent), Germany (11.5 percent), Canada (8.6 percent), the Netherlands (7.2 percent), France (6.7 percent), and Switzerland (6.6 percent) accounted for significant portions of receipts.

FCDC “net” profits dropped by 11.8 percent from those of the previous year. The collective net income (less deficit) reported by foreign-controlled domestic corporations decreased from \$172.6 billion

for 2006 to \$152.3 billion for 2007. To place the performance of FCDCs in context, total corporate profits also decreased, by 5.0 percent, totaling \$1.8 trillion for 2007.

FCDC “positive” profits (i.e., net income) increased by 5.4 percent for 2007. The U.S. tax liability of FCDCs (i.e., total income tax after credits) moved in the same direction as did positive profits, increasing from \$50.0 billion for 2006 to \$52.8 billion for 2007, or by 5.8 percent. To place this in perspective, the 2007 U.S. tax liabilities of all corporations were 6.1 percent lower than the previous year. Thus, FCDCs share of total corporate post-credit U.S. tax liabilities increased from 14.2 percent for 2006 to 16.0 percent for 2007.

Of the 64,026 foreign-controlled domestic corporations, the 4,287 “largest” companies accounted for most of the total amounts of key financial items (e.g., 94.5 percent of the total assets, 95.0 percent of the total receipts, 93.9 percent of the taxable income, and 93.0 percent of the total income tax after credits).

This article compared the 4,287 large foreign-controlled domestic corporations to the 15,320 other large domestic companies on the basis of industry, using 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. The results varied by industry, with FCDC performance being greater in some industries and ODC performance being greater in other industries.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—2007, 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 legitimate use of exclusions, deductions, and credits. In effect, it provided a second tax system that curtailed or elimi-

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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nated 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 normally governed by generally accepted 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, even if 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 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.

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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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. For insurance companies, benefits paid (e.g., the death benefits paid by life insurance companies) were included in the cost of goods sold. In general, finance corporations did not have any cost of goods sold.

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 shareholders, 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 shareholders; 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 income 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 the taxable income of insurance companies, based on changes in

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their reserve accounts. Also, S corporations, regulated investment companies, and real estate investment trusts generally passed their net income on to be taxed at the shareholder level. They had limited tax liabilities (based on capital gains for S corporations and undistributed income for RICs and REITs) and, thus, small amounts of taxable income.

Income tax—This item was the amount of a corporation's tax liability calculated at the regular corporate tax rates. (However, there were certain exceptions for members of controlled groups and personal service corporations.) 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 allowable 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 (2007) tax year. Losses incurred after Tax Year 2007 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 2007 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 represents the shareholders' 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. Capital stock includes amounts of outstanding shares of both common and preferred stock. Additional paid-in capital comprises additions to the corporation's capital from sources other than earnings, including receipts from the sale of capital stock in excess of the stated value and stock redemptions or conversions. Retained earnings and profits of corporations can be appropriated (i.e., set aside for specific purposes such as for plant expansions or bond retirements) or unappropriated (dividends and distributions to shareholders are paid from these funds). Adjustments to shareholders' equity can be either positive or negative, and includes 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

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income or deductions) for Tax Year 2007. 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, 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 restrictive 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—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. In general, net income less statutory special deductions equals income subject to tax.

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

²³ Shown in Appendix A of this article are Tax Year 2007 data for all REITs, RICs, and S corporations, regardless of size, filed by foreign-controlled domestic corporations (FCDCs) and by other domestic corporations (ODCs).

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amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts.

Total income tax before and after credits—For 2007, total income tax of FCDCs was primarily comprised of the income tax imposed on corporate income subject to tax (98.6 percent of the total tax). The alternative minimum tax accounted for 1.3 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 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 2007, the credits used to reduce the total income tax of FCDCs primarily included the foreign tax credit (82.8 percent of the \$12.2 billion of total credits), the general business credit (12.5 percent), and the prior-year minimum tax credit (4.7 percent), as well as a small amount for 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 (i.e., business receipts, taxable interest, rents, royalties, most net capital gains, net noncapital gains, dividends received, and other 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 2007 are based on returns with accounting periods that ended between July 2007 and June 2008. 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 2007, that span was from August 2006 through June 2008. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2007. Of the 64,026 FCDC returns filed for Tax Year 2007, 43,632 had accounting periods that ended in December 2007, 68 percent of the total. These returns accounted for 77 percent of both the receipts and deductions reported by all FCDCs, as well as 85 percent of the FCDC assets.

The sampling frame for the 2007 statistics consisted, in general, of tax returns with accounting periods that ended between July 2007 and June 2008, and that posted to the IRS Business Master File between July 2007 and June 2009. A 24-month sampling period was needed for several reasons. First, some corporations had noncalendar year accounting periods ending as late as June 2008. Second, while corporation returns must be filed within 2 ½ months

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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 2009.

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. Part-year returns, those filed for accounting periods of less than 12 months, were included in the number of returns and other data shown in this article. Continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations filed such returns. To avoid double counting, data from the balance sheets of part-year returns were not included in the statistics, except for those from initial returns of newly incorporated businesses.

Sample

This article presents statistical estimates based on a stratified sample of more than 8,900 unaudited tax returns selected from over 64,000 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2007. 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 2007, FCDCs filed only 48 Forms 1120L, 321

Forms 1120-RIC, 104 Forms 1120-REIT, and 44 Forms 1120-PC.²⁴ FCDCs could not file Forms 1120-A, 1120-F, and 1120S. The statistics for the largest FCDCs shown in Figures G through I, 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 2007, 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—2007, 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 J shows CVs for selected financial data of selected industrial sectors and selected countries of the foreign owners. For a general discussion of sampling procedures and CVs, see “SOI Sampling Methodology and Data Limitations” in 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

²⁴ The count of 48 Forms 1120L does not include returns of life insurance companies 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 2007, there were 147 section 1504(c) returns of foreign-controlled domestic corporations. Of this number, 68 returns had a property/casualty insurance company as the largest subsidiary, another 67 returns had a noninsurance company as the largest subsidiary, and 12 returns had a life insurance company as the largest subsidiary.

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Figure J

Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Sector and Selected Country of Foreign Owner, Tax Year 2007

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	3.89	0.02	0.15	0.16	0.40	0.13	0.15
Selected industrial sector:							
Construction	27.76	0.90	1.43	3.02	2.14	3.21	2.81
Finance and insurance	10.40	0.01	0.18	0.74	0.28	0.33	0.34
Information	21.59	0.12	0.83	0.39	2.61	0.41	0.39
Management of companies (holding companies)	22.70	0.05	0.08	0.50	2.63	0.44	0.48
Manufacturing	9.87	0.05	0.11	0.13	0.66	0.13	0.17
Professional, scientific, and technical services	13.06	0.45	1.45	1.46	3.41	1.60	2.15
Real estate and rental and leasing	8.62	0.60	1.54	1.73	4.59	2.42	2.31
Retail trade	18.63	0.55	0.69	1.12	5.67	1.29	1.28
Wholesale trade	7.28	0.23	0.50	0.49	2.59	0.49	0.49
Selected country of foreign owner:							
Bermuda	10.21	0.13	1.02	0.36	3.17	0.36	0.43
Canada	10.70	0.09	0.72	1.21	1.53	0.71	0.73
France	18.74	0.04	0.27	0.34	2.13	0.42	0.47
Germany	13.59	0.05	0.30	0.46	0.69	0.56	0.56
Japan	11.24	0.13	0.41	0.39	1.34	0.40	0.42
Netherlands	23.10	0.06	0.26	0.30	2.06	0.30	0.52
South Korea, Republic of	25.62	1.07	1.57	3.94	6.18	7.60	8.39
Sweden	26.77	0.37	0.87	1.23	2.61	1.50	1.47
Switzerland	19.65	0.04	0.64	0.44	0.27	0.43	0.43
United Kingdom	14.95	0.03	0.15	0.18	1.52	0.15	0.18
Venezuela	42.10	0.94	1.24	0.65	57.59	0.48	0.46

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

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 2006 and 2007, 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 adminis-

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 1,051 returns for Tax Year 2007 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$26.5 billion of assets and \$15.8 billion of receipts.

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trative 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 (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 coun-

try 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 2007

(Money amounts are in millions of dollars)

Type of corporation and item	FCDCs	ODCs
Real estate investment trusts (REITs):		
Number of returns	104	1,537
Total assets	59,577	1,451,352
Total receipts	3,965	135,560
Net income (less deficit)	1,990	74,389
Income subject to tax	0	35
Total income tax after credits	1	60
Regulated investment companies (RICs):		
Number of returns	321	11,762
Total assets	288,057	14,358,028
Total receipts	10,152	526,416
Net income (less deficit)	8,285	404,129
Income subject to tax	0	5
Total income tax after credits	0	76
S corporations:		
Number of returns	0	3,989,893
Total assets	0	3,324,337
Total receipts	0	6,092,468
Net income (less deficit)	0	400,730
Net income (less deficit) from a trade or business	0	287,198
Total income tax after credits	0	925

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Table 1. Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971–2007

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

Item	1971	1990	1998	2000	2004	2005	2006	2007
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ALL CORPORATIONS								
Number of returns, total	1,733,332	3,716,650	4,848,888	5,045,274	5,557,965	5,671,257	5,840,799	5,868,849
Number with net income	1,063,940	1,910,670	2,760,814	2,819,153	3,116,468	3,324,260	3,367,313	3,367,720
Total assets	2,889,221	18,190,058	37,347,353	47,026,872	60,117,759	66,445,430	73,080,647	81,486,346
Total receipts	1,906,008	11,409,520	17,323,955	20,605,808	22,711,864	25,504,789	27,401,874	28,762,924
Business receipts	1,763,760	9,860,442	15,010,265	17,636,551	19,975,876	21,800,290	23,310,310	24,217,396
Interest received [1]	65,596	942,238	1,227,640	1,576,101	1,337,626	1,712,271	2,242,464	2,569,844
Total deductions	1,824,063	11,032,575	16,489,425	19,691,592	21,636,156	23,612,766	25,501,558	26,974,257
Cost of goods sold	1,241,282	6,610,770	9,362,392	11,135,288	12,497,905	13,816,464	14,799,599	15,513,227
Interest paid	64,697	825,372	966,659	1,271,679	938,790	1,287,098	1,787,104	2,085,113
Total receipts less total deductions	81,945	376,945	834,530	914,216	1,075,708	1,892,024	1,900,316	1,788,667
Net income (less deficit)	79,700	370,633	838,224	927,526	1,111,693	1,948,655	1,933,374	1,836,783
Net income	96,688	552,527	1,091,150	1,336,620	1,455,797	2,234,882	2,239,614	2,252,874
Deficit	-16,988	-181,894	-252,926	-409,094	-344,104	-286,227	-306,240	-416,091
Income subject to tax	83,165	366,353	663,386	760,404	857,392	1,201,325	1,291,431	1,248,285
Total income tax before credits	37,510	128,186	231,400	266,282	299,555	419,209	453,082	437,076
Income tax	37,143	119,434	228,022	262,233	296,200	416,324	450,168	433,493
Total income tax after credits	30,220	96,403	181,545	204,044	224,435	312,086	353,084	331,374
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS								
Number of returns, total	5,154	44,113	61,658	60,609	57,935	61,820	63,951	64,026
Number with net income	2,575	17,360	29,172	26,519	29,233	30,870	30,318	30,929
Total assets	36,674	1,652,255	3,917,687	6,071,994	7,971,399	9,218,983	9,743,225	11,161,430
Total receipts	39,181	1,060,295	1,890,493	2,612,072	3,056,503	3,505,629	3,839,754	4,217,409
Business receipts	38,043	950,083	1,662,560	2,253,215	2,733,472	3,058,260	3,323,274	3,597,435
Interest received [1]	420	67,315	129,040	180,006	154,954	235,304	304,577	387,460
Total deductions	38,050	1,056,921	1,851,059	2,549,986	2,969,718	3,345,178	3,671,102	4,071,891
Cost of goods sold	28,804	709,052	1,177,416	1,584,513	1,964,224	2,239,966	2,425,660	2,638,722
Interest paid	733	77,562	128,845	186,835	129,530	199,877	286,668	360,439
Total receipts less total deductions	1,132	3,374	39,434	62,085	86,785	160,450	168,652	145,518
Net income (less deficit)	1,111	3,966	40,615	66,312	90,846	165,188	172,560	152,261
Net income	1,496	29,410	75,409	118,598	138,010	201,597	214,812	226,419
Deficit	-384	-25,444	-34,794	-52,287	-47,165	-36,409	-42,252	-74,158
Income subject to tax	1,344	23,704	59,352	97,515	104,740	153,007	171,251	183,840
Total income tax before credits	650	8,719	21,262	34,650	37,058	53,820	60,313	65,071
Income tax	631	8,008	20,599	33,950	36,451	53,137	59,693	64,192
Total income tax after credits	610	7,438	18,273	28,073	29,932	42,415	49,953	52,845
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS								
Number of returns, total	0.30	1.19	1.27	1.20	1.04	1.09	1.09	1.09
Number with net income	0.24	0.91	1.06	0.94	0.94	0.93	0.90	0.92
Total assets	1.27	9.08	10.49	12.91	13.26	13.87	13.33	13.70
Total receipts	2.06	9.29	10.91	12.68	13.46	13.74	14.01	14.66
Business receipts	2.16	9.64	11.08	12.78	13.68	14.03	14.26	14.85
Interest received [1]	0.64	7.14	10.51	11.42	11.58	13.74	13.58	15.08
Total deductions	2.09	9.58	11.23	12.95	13.73	14.17	14.40	15.10
Cost of goods sold	2.32	10.73	12.58	14.23	15.72	16.21	16.39	17.01
Interest paid	1.13	9.40	13.33	14.69	13.80	15.53	16.04	17.29
Total receipts less total deductions	1.38	0.90	4.73	6.79	8.07	8.48	8.87	8.14
Net income (less deficit)	1.39	1.07	4.85	7.15	8.17	8.48	8.93	8.29
Net income	1.55	5.32	6.91	8.87	9.48	9.02	9.59	10.05
Deficit	2.26	13.99	13.76	12.78	13.71	12.72	13.80	17.82
Income subject to tax	1.62	6.47	8.95	12.82	12.22	12.74	13.26	14.73
Total income tax before credits	1.73	6.80	9.19	13.01	12.37	12.84	13.31	14.89
Income tax	1.70	6.70	9.03	12.95	12.31	12.76	13.26	14.81
Total income tax after credits	2.02	7.72	10.07	13.76	13.34	13.59	14.15	15.95

[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 2007

[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	64,026	30,929	22,207	11,161,430	2,318,484	4,217,409	3,597,435	4,071,891
Agriculture, forestry, fishing, and hunting	906	403	128	8,663	4,844	10,538	10,169	10,603
Agricultural production	583	169	125	7,875	4,643	10,127	9,885	10,192
Forestry and logging	*5	d	d	*460	*286	*158	*116	*140
Support activities and fishing, hunting, and trapping	*319	d	d	*329	*-85	*253	*168	*270
Mining	1,125	359	242	158,447	71,791	78,493	70,774	66,707
Utilities	230	180	143	115,480	30,699	45,480	43,867	44,409
Construction	1,835	996	548	46,910	12,990	51,738	50,170	51,841
Construction of buildings	126	81	55	24,076	6,086	31,537	30,930	32,315
Heavy and civil engineering construction	1,092	364	107	17,194	5,488	13,885	13,056	13,309
Specialty trade contractors	618	551	386	5,641	1,416	6,316	6,185	6,217
Manufacturing	6,601	3,577	3,053	2,508,531	736,019	1,858,326	1,759,769	1,786,247
Food manufacturing	464	376	130	69,273	12,984	66,529	65,110	65,281
Beverage and tobacco product manufacturing	83	65	40	43,001	10,654	29,043	27,044	26,698
Textile mills and textile product mills	220	98	97	6,090	2,823	6,670	6,512	6,679
Apparel manufacturing	60	39	39	1,239	761	1,616	1,582	1,577
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	107	75	74	6,097	1,080	6,941	6,837	7,449
Paper manufacturing	127	79	79	21,639	7,469	23,926	23,289	23,631
Printing and related support activities	89	21	21	4,106	-664	6,207	6,087	6,160
Petroleum and coal products manufacturing	29	20	19	640,584	119,268	616,175	598,078	591,052
Chemical manufacturing	446	269	264	386,187	144,770	243,437	221,124	219,880
Plastics and rubber products manufacturing	403	172	143	49,539	19,947	51,496	50,472	50,837
Nonmetallic mineral product manufacturing	150	98	98	114,625	25,938	58,366	56,020	56,236
Primary metal manufacturing	142	103	102	72,969	25,113	81,572	79,016	75,965
Fabricated metal product manufacturing	738	280	250	39,491	15,546	40,119	38,904	38,394
Machinery manufacturing	717	544	523	128,655	50,305	91,570	85,247	86,713
Computer and electronic product manufacturing	1,568	678	598	212,637	93,005	126,132	119,973	126,265
Electrical equipment, appliance, and component manufacturing	295	136	107	72,640	23,074	37,555	35,902	35,801
Transportation equipment manufacturing	525	312	284	537,605	142,200	300,177	275,295	300,969
Furniture and related product manufacturing	41	6	6	1,768	-316	3,646	3,613	3,608
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	19,633	9,795	6,715	654,814	188,299	1,093,074	1,065,093	1,066,602
Wholesale trade	15,780	7,647	5,588	563,553	161,405	938,126	914,627	915,232
Wholesale trade, durable goods	10,656	5,554	4,015	366,976	102,351	632,772	618,662	621,332
Wholesale trade, nondurable goods	5,118	d	d	195,667	59,030	305,310	295,961	293,862
Wholesale electronic markets and agents and brokers	*6	d	d	*910	*25	*44	*4	*37
Retail trade	3,853	2,148	1,127	91,261	26,894	154,948	150,466	151,370
Motor vehicle dealers and parts dealers	353	321	303	2,761	703	7,145	6,904	7,135
Furniture and home furnishings stores	429	15	15	4,994	611	5,665	5,469	5,544
Electronics and appliance stores	270	154	42	861	21	2,922	2,860	2,777
Building material and garden equipment and supplies dealers	72	d	d	661	215	1,215	1,206	1,205
Food, beverage and liquor stores	176	99	94	40,358	12,841	85,357	83,378	83,264
Health and personal care stores	137	36	27	7,212	1,455	5,778	5,636	5,488
Gasoline stations	*396	*393	*150	*3,441	*934	*13,660	*13,442	*13,564
Clothing and clothing accessories stores	471	277	248	18,078	8,845	16,340	15,398	15,648
Sporting goods, hobby, book, and music stores	*386	*67	*67	*699	*401	*1,073	*1,051	*1,080
General merchandise stores	*13	d	d	*946	*363	*1,168	*1,133	*1,166
Miscellaneous store retailers	355	292	33	6,084	-1,149	7,982	7,591	7,745
Nonstore retailers	796	425	81	5,167	1,655	6,644	6,399	6,755

Footnotes at end of table.

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2007—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	2,112	1,770	1,339	77,206	22,415	63,929	61,235	64,016
Air, rail, and water transportation	148	d	d	20,996	5,699	13,209	12,275	12,808
Truck transportation	634	577	301	946	234	3,147	3,105	3,157
Transit and ground passenger transportation	*274	*271	*271	*9,972	*2,318	*4,474	*4,230	*4,599
Pipeline transportation	*9	d	d	*3,058	*1,101	*3,724	*3,674	*3,730
Other transportation and support activities	704	495	419	32,838	8,172	35,875	34,889	36,497
Warehousing and storage	343	314	297	9,396	4,891	3,499	3,061	3,224
Information	2,583	1,020	861	392,798	190,685	111,475	89,838	101,711
Publishing industries	1,005	375	257	90,758	11,734	51,500	41,451	47,100
Motion picture and sound recording industries	478	402	375	54,889	17,710	10,532	7,194	10,033
Broadcasting (except internet)	74	15	7	3,325	1,405	941	860	1,133
Telecommunications (including paging, cellular, satellite, cable and internet service providers)	523	165	164	222,999	155,371	39,125	32,240	34,377
Data processing, hosting, and related services	132	16	16	8,876	1,626	2,826	2,460	2,802
Other information services (including news syndicates, libraries, and internet publishing and broadcasting)	371	47	42	11,950	2,839	6,550	5,633	6,266
Finance and insurance	3,100	1,754	1,309	5,550,187	742,624	568,706	238,533	564,842
Credit intermediation	619	228	196	320,721	22,558	24,808	10,906	24,960
Depository credit intermediation	56	34	32	113,103	7,534	7,022	677	6,449
Nondepository credit intermediation	563	194	164	207,618	15,025	17,786	10,229	18,511
Securities, commodity contracts, and other financial investments and related activities	1,206	660	604	3,079,103	96,444	245,969	37,578	263,502
Insurance carriers and related activities	324	253	236	1,799,216	329,525	283,220	190,042	272,179
Funds, trusts, and other financial vehicles	951	612	273	351,148	294,097	14,709	7	4,202
Real estate and rental and leasing	12,407	5,143	3,699	175,388	58,307	31,919	20,258	27,609
Real estate	12,164	4,989	3,547	134,109	50,205	18,493	8,982	14,849
Rental and leasing services	238	d	d	38,724	6,917	12,848	10,753	12,209
Lessors of nonfinancial intangible assets (except copyrighted works)	*6	d	d	*2,555	*1,186	*578	*523	*551
Professional, scientific, and technical services	8,387	3,966	2,622	165,193	68,362	94,620	85,982	92,712
Management of companies (holding companies)	1,685	714	657	1,133,164	133,732	112,919	15,994	101,261
Administrative and support and waste management and remediation services	1,417	d	d	44,884	15,211	40,592	38,113	39,892
Administrative and support services	1,408	d	d	36,421	12,083	36,097	34,102	35,712
Waste management and remediation services	*10	d	d	*8,463	*3,127	*4,495	*4,011	*4,180
Educational services	106	11	11	5,250	822	1,822	1,649	1,754
Health care and social assistance	33	19	19	34,340	11,553	11,119	10,475	10,450
Offices of health practitioners and outpatient care centers	5	d	d	27,135	9,608	6,522	6,274	5,907
Miscellaneous health care and social assistance	20	11	10	4,197	1,089	1,979	1,903	1,989
Hospitals, nursing, and residential care facilities	8	d	d	3,008	856	2,619	2,298	2,554
Arts, entertainment, and recreation	590	285	227	13,396	1,991	5,587	4,592	5,700
Amusement, gambling, and recreation industries	96	34	33	10,377	1,721	2,701	2,282	2,910
Other arts, entertainment, and recreation	494	252	194	3,019	270	2,886	2,310	2,790
Accommodation and food services	852	276	145	71,182	27,534	31,321	25,530	30,089
Accommodation	283	157	121	56,171	27,751	9,626	5,333	8,749
Food services and drinking places	569	119	24	15,011	-217	21,695	20,198	21,340
Other services	368	146	51	5,558	582	5,745	5,389	5,440
Repair and maintenance	86	42	43	3,145	1,049	3,750	3,568	3,658
Personal and laundry services	281	104	7	2,413	-467	1,994	1,820	1,782
Not allocable	*54	*0	*0	*41	*24	*5	*5	*7

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2007—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	2,638,722	145,518	152,261	226,419	-74,158	183,840	65,071	52,845
Agriculture, forestry, fishing, and hunting	8,183	-65	-54	253	-308	184	66	54
Agricultural production	7,998	-66	-55	223	-279	164	59	48
Forestry and logging	*86	*18	*18	d	d	d	d	d
Support activities and fishing, hunting, and trapping	*98	*-17	*-17	d	d	d	d	d
Mining	35,403	11,786	12,148	15,138	-2,990	12,824	4,585	2,413
Utilities	27,389	1,071	1,067	1,448	-381	1,094	410	378
Construction	43,606	-102	-100	1,478	-1,579	1,034	370	357
Construction of buildings	28,840	-778	-776	446	-1,222	290	103	101
Heavy and civil engineering construction	10,136	576	575	741	-165	509	187	178
Specialty trade contractors	4,630	100	100	292	-191	235	79	78
Manufacturing	1,375,760	72,080	76,013	93,969	-17,956	85,574	30,121	22,961
Food manufacturing	43,733	1,248	1,269	1,997	-728	1,702	602	581
Beverage and tobacco product manufacturing	13,592	2,345	2,375	2,515	-140	2,188	766	721
Textile mills and textile product mills	5,025	-9	-8	214	-222	182	63	61
Apparel manufacturing	1,076	39	39	86	-47	73	25	22
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	5,716	-507	-505	72	-577	57	19	19
Paper manufacturing	18,917	295	295	626	-331	201	75	71
Printing and related support activities	4,670	47	48	105	-57	95	33	33
Petroleum and coal products manufacturing	542,262	25,122	26,128	26,188	-60	25,993	9,097	5,584
Chemical manufacturing	129,504	23,557	24,722	27,115	-2,394	25,953	9,164	7,730
Plastics and rubber products manufacturing	37,413	658	727	1,446	-719	798	280	236
Nonmetallic mineral product manufacturing	37,225	2,130	2,182	2,775	-593	2,581	916	853
Primary metal manufacturing	65,243	5,607	6,079	6,697	-618	6,451	2,293	1,125
Fabricated metal product manufacturing	28,275	1,725	1,737	2,115	-378	1,787	623	605
Machinery manufacturing	63,071	4,857	5,042	5,652	-610	4,659	1,630	1,451
Computer and electronic product manufacturing	87,403	-133	150	2,987	-2,837	2,015	717	631
Electrical equipment, appliance, and component manufacturing	25,122	1,755	2,000	2,450	-449	1,543	552	375
Transportation equipment manufacturing	222,609	-792	-610	5,545	-6,155	4,432	1,561	1,395
Furniture and related product manufacturing	2,628	38	38	82	-45	82	29	27
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	871,031	26,472	26,921	33,474	-6,552	27,692	9,841	9,256
Wholesale trade	764,232	22,895	23,314	28,690	-5,376	24,551	8,725	8,175
Wholesale trade, durable goods	519,300	11,439	11,777	15,299	-3,522	13,005	4,655	4,357
Wholesale trade, nondurable goods	244,931	11,448	11,530	d	d	d	d	d
Wholesale electronic markets and agents and brokers	*0	*7	*7	d	d	d	d	d
Retail trade	106,799	3,577	3,608	4,784	-1,177	3,141	1,116	1,081
Motor vehicle dealers and parts dealers	5,870	9	9	85	-76	68	23	23
Furniture and home furnishings stores	3,015	121	119	194	-74	184	64	64
Electronics and appliance stores	2,025	144	142	188	-46	27	9	9
Building material and garden equipment and supplies dealers	909	10	14	d	d	d	d	d
Food, beverage and liquor stores	62,068	2,093	2,101	2,264	-163	1,520	539	525
Health and personal care stores	2,329	291	299	395	-97	378	132	126
Gasoline stations	*11,848	*96	*96	*99	*-3	*95	*32	*25
Clothing and clothing accessories stores	7,434	692	693	948	-256	529	191	189
Sporting goods, hobby, book, and music stores	*766	*-7	*-5	*46	*-51	*43	*15	*13
General merchandise stores	*679	*2	*2	d	d	d	d	d
Miscellaneous store retailers	5,036	237	236	374	-137	152	57	57
Nonstore retailers	4,821	-111	-99	145	-244	99	38	36

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2007—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	26,061	-87	-68	2,223	-2,291	1,905	665	631
Air, rail, and water transportation	4,716	401	413	d	d	d	d	d
Truck transportation	1,980	-10	-10	37	-47	26	9	9
Transit and ground passenger transportation	*707	*-125	*-125	*15	*-139	*1	*1	*1
Pipeline transportation	*3,409	*-7	*-7	d	d	d	d	d
Other transportation and support activities	14,559	-622	-618	1,055	-1,673	923	320	313
Warehousing and storage	690	275	278	362	-84	245	85	83
Information	32,905	9,764	9,985	13,276	-3,291	9,073	3,226	3,122
Publishing industries	16,313	4,400	4,505	6,269	-1,764	5,383	1,888	1,848
Motion picture and sound recording industries	2,818	499	592	833	-241	133	48	46
Broadcasting (except internet)	435	-192	-192	42	-234	36	12	10
Telecommunications (including paging, cellular, satellite, cable and internet service providers)	11,871	4,747	4,766	5,459	-693	2,976	1,086	1,070
Data processing, hosting, and related services	517	24	25	212	-187	206	72	71
Other information services (including news syndicates, libraries, and internet publishing and broadcasting)	951	284	289	461	-172	339	120	77
Finance and insurance	144,745	3,864	4,165	34,084	-29,919	18,921	6,831	6,054
Credit intermediation	277	-152	-169	1,363	-1,532	1,168	409	377
Depository credit intermediation	0	574	564	573	-10	503	176	174
Nondepository credit intermediation	277	-725	-733	790	-1,522	665	233	202
Securities, commodity contracts, and other financial investments and related activities	206	-17,533	-17,056	7,352	-24,407	6,431	2,335	2,225
Insurance carriers and related activities	144,262	11,041	10,880	14,509	-3,629	10,244	3,713	3,184
Funds, trusts, and other financial vehicles	0	10,507	10,510	10,860	-351	1,078	374	268
Real estate and rental and leasing	4,660	4,310	4,282	5,938	-1,655	3,643	1,287	1,275
Real estate	1,698	3,644	3,622	5,047	-1,425	3,305	1,147	1,139
Rental and leasing services	2,957	639	633	d	d	d	d	d
Lessors of nonfinancial intangible assets (except copyrighted works)	*5	*27	*27	d	d	d	d	d
Professional, scientific, and technical services	30,326	1,908	2,451	6,167	-3,716	4,635	1,611	1,108
Management of companies (holding companies)	1,268	11,658	12,224	14,172	-1,947	13,529	4,738	4,130
Administrative and support and waste management and remediation services	17,145	700	745	d	d	d	d	d
Administrative and support services	16,741	386	431	d	d	d	d	d
Waste management and remediation services	*404	*314	*315	d	d	d	d	d
Educational services	637	68	70	106	-36	99	34	24
Health care and social assistance	3,792	669	669	817	-148	763	268	263
Offices of health practitioners and outpatient care centers	3,069	615	614	d	d	d	d	d
Miscellaneous health care and social assistance	645	-11	-9	65	-74	21	8	7
Hospitals, nursing, and residential care facilities	78	65	65	d	d	d	d	d
Arts, entertainment, and recreation	1,994	-113	70	426	-356	233	81	59
Amusement, gambling, and recreation industries	1,174	-209	-34	236	-270	89	32	12
Other arts, entertainment, and recreation	820	96	104	190	-86	144	49	47
Accommodation and food services	10,922	1,232	1,348	1,694	-346	1,516	539	435
Accommodation	602	877	981	1,081	-100	918	331	262
Food services and drinking places	10,320	355	367	613	-246	598	209	173
Other services	2,896	305	327	379	-53	359	125	101
Repair and maintenance	2,473	93	93	109	-16	95	33	33
Personal and laundry services	423	212	234	270	-36	264	92	69
Not allocable	*1	*-2	*-2	*0	*-2	*0	*0	*0

* 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.

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

Foreign-Controlled Domestic Corporations, 2007

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Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2007

[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	64,026	30,929	22,207	11,161,430	2,318,484	4,217,409	3,597,435	4,071,891
AGE OF CORPORATION								
Old corporations:								
Number or amount	49,444	26,542	18,558	10,503,230	2,088,346	3,927,950	3,329,911	3,783,148
Percentage of all corporations	77.22	85.82	83.57	94.10	90.07	93.14	92.56	92.91
New corporations:								
Number or amount	14,582	4,387	3,649	658,200	230,139	289,459	267,524	288,743
Percentage of all corporations	22.78	14.18	16.43	5.90	9.93	6.86	7.44	7.09
SELECTED COUNTRY OF FOREIGN OWNER								
Selected countries, total	57,456	27,825	19,979	11,102,271	2,302,067	4,173,127	3,556,433	4,026,806
Percentage of all countries	89.74	89.96	89.97	99.47	99.29	98.95	98.86	98.89
Selected countries:								
Australia	1,008	400	298	136,372	39,209	54,108	48,864	48,868
Austria	748	275	257	10,929	3,707	13,811	13,490	13,468
Belgium	337	182	153	114,188	15,254	50,008	43,085	48,354
Bermuda	280	149	119	240,522	76,737	84,897	72,425	79,315
Brazil	832	453	131	9,484	1,969	11,464	10,696	11,515
British Virgin Islands [1]	2,947	1,032	703	25,093	6,768	17,878	16,298	17,822
Canada	10,762	6,096	4,978	1,169,813	346,210	360,757	301,855	346,002
Cayman Islands	1,426	451	412	119,515	56,643	28,034	23,166	25,828
China	1,249	225	151	7,229	2,252	9,110	8,760	8,876
China (Taiwan)	1,371	317	203	16,210	3,802	26,550	25,986	26,341
Colombia	844	135	30	1,476	303	1,021	1,006	1,045
Denmark	571	186	149	15,948	6,252	19,416	18,854	18,743
Finland	67	37	32	18,812	7,347	23,121	22,266	22,810
Former Soviet Union [2]	352	287	32	3,371	1,243	8,316	8,116	8,482
France	2,159	1,083	656	1,145,786	287,500	284,453	222,664	268,610
Germany	4,444	2,514	1,765	1,649,154	302,380	483,939	398,837	475,289
Gibraltar	84	21	22	28,204	2,577	7,972	6,546	8,073
Hong Kong	1,296	677	553	10,226	2,413	13,070	12,541	12,938
Hungary	83	26	26	9,143	-309	10,855	10,077	9,833
India	1,844	1,045	590	15,004	2,774	19,403	19,182	19,468
Ireland	657	510	204	43,551	10,955	24,705	23,200	24,063
Israel	753	569	494	33,879	6,878	21,211	19,571	20,657
Italy	1,396	419	366	56,377	16,140	31,658	29,778	30,131
Japan	5,185	2,356	1,854	752,738	215,523	638,586	601,014	619,110
Luxembourg	390	260	220	114,371	49,168	63,320	58,565	61,282
Mexico	1,251	605	544	46,141	10,246	40,406	36,517	35,848
Netherlands	2,021	757	514	931,142	147,628	303,480	232,320	290,355
Netherlands Antilles	305	167	162	15,096	7,703	11,881	10,405	9,928
Norway	370	121	120	17,196	4,356	17,098	16,482	16,956
Panama	877	452	154	12,380	4,639	8,041	7,667	7,779
Portugal	74	7	6	10,055	1,998	1,847	1,505	1,711
Puerto Rico	25	15	4	19,543	1,390	1,843	244	2,211
Saudi Arabia	140	39	11	16,541	6,154	14,116	12,592	13,130
Singapore	190	141	55	39,323	22,839	17,133	16,111	17,474
South Africa, Republic of	140	34	34	4,163	793	6,381	6,179	6,372
South Korea, Republic of	1,608	681	645	40,652	8,896	80,557	79,144	80,536
Spain	1,065	431	161	111,079	30,813	18,604	14,077	18,258
Sweden	430	214	135	79,107	22,911	58,018	54,578	57,131
Switzerland	1,462	776	517	1,271,975	66,046	277,184	193,245	280,362
United Kingdom	5,556	3,137	2,279	2,717,756	497,207	965,257	817,420	921,278
Venezuela	857	543	240	22,727	4,753	43,618	41,105	40,554

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2007—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	2,638,722	145,518	152,261	226,419	-74,158	183,840	65,071	52,845
AGE OF CORPORATION								
Old corporations:								
Number or amount	2,447,641	144,802	151,032	214,849	-63,817	174,569	61,825	49,931
Percentage of all corporations	92.76	99.51	99.19	94.89	86.06	94.96	95.01	94.49
New corporations:								
Number or amount	191,081	715	1,229	11,570	-10,341	9,271	3,246	2,914
Percentage of all corporations	7.24	0.49	0.81	5.11	13.94	5.04	4.99	5.51
SELECTED COUNTRY OF FOREIGN OWNER								
Selected countries, total	2,607,131	146,330	153,040	224,411	-71,377	182,366	64,565	52,420
Percentage of all countries	98.80	100.56	100.51	99.11	96.25	99.20	99.22	99.20
Selected countries:								
Australia	29,667	5,239	5,317	6,669	-1,352	5,674	1,990	443
Austria	10,204	344	343	471	-128	417	144	142
Belgium	29,220	1,655	1,718	1,900	-182	1,820	643	568
Bermuda	46,145	5,581	5,981	7,598	-1,617	6,695	2,354	1,912
Brazil	9,946	-51	-51	302	-352	147	58	58
British Virgin Islands [1]	11,913	57	70	862	-792	591	207	203
Canada	227,016	14,756	14,795	21,766	-6,971	13,433	4,792	4,288
Cayman Islands	11,719	2,207	2,388	4,008	-1,620	2,992	1,059	899
China	6,828	234	232	450	-218	408	142	101
China (Taiwan)	23,571	210	209	580	-370	454	158	156
Colombia	786	-24	-24	24	-48	16	5	5
Denmark	12,544	674	684	1,079	-396	919	323	281
Finland	17,385	312	317	554	-237	284	100	86
Former Soviet Union [2]	7,580	-166	-166	135	-301	132	46	34
France	152,431	15,843	16,653	19,623	-2,971	13,724	4,875	4,120
Germany	276,088	8,651	9,478	21,342	-11,864	14,748	5,386	4,975
Gibraltar	5,853	-101	-98	50	-149	40	90	89
Hong Kong	10,706	132	132	308	-176	218	75	66
Hungary	6,838	1,022	1,035	1,073	-38	1,067	373	308
India	13,008	-65	-65	411	-477	339	117	115
Ireland	14,737	642	640	1,008	-368	841	295	288
Israel	14,818	553	535	986	-451	754	261	233
Italy	17,072	1,527	1,794	2,247	-453	1,769	619	509
Japan	463,796	19,476	19,984	26,319	-6,336	22,900	8,026	7,300
Luxembourg	41,261	2,038	2,114	3,201	-1,088	2,100	769	652
Mexico	25,913	4,559	4,948	5,856	-909	4,212	1,493	466
Netherlands	168,902	13,125	14,630	17,445	-2,816	14,277	5,041	2,772
Netherlands Antilles	4,558	1,953	1,961	2,047	-85	1,962	685	645
Norway	13,528	142	144	652	-508	556	194	186
Panama	6,120	262	263	369	-106	229	81	81
Portugal	545	136	157	253	-95	253	89	65
Puerto Rico	11	-368	-371	30	-401	28	10	10
Saudi Arabia	11,256	985	983	1,081	-98	1,073	376	375
Singapore	11,486	-340	-339	380	-719	307	107	91
South Africa, Republic of	5,190	9	9	160	-150	93	34	33
South Korea, Republic of	71,639	21	26	1,026	-1,001	507	176	156
Spain	10,014	346	335	1,436	-1,102	1,205	422	412
Sweden	42,223	887	893	1,941	-1,049	1,567	551	518
Switzerland	120,425	-3,177	-3,095	14,567	-17,662	12,963	4,572	4,341
United Kingdom	615,773	43,979	45,420	51,101	-5,681	47,584	16,755	13,366
Venezuela	38,416	3,065	3,061	3,101	-40	3,068	1,072	1,072

[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 2005 and 2008; "old" corporations were those with dates of incorporation prior to 2005, 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 750 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, 2007

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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 2007

[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 shareholders
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS							
All industries	4,287	3,151	3,044	10,547,214	5,010,198	5,537,016	48,575
Agriculture, forestry, fishing, and hunting	15	12	12	5,878	1,994	3,884	2
Mining	97	63	64	148,485	40,551	107,934	21
Utilities	32	21	21	113,354	21,178	92,176	14
Construction	76	56	56	39,607	20,583	19,024	186
Manufacturing	1,552	1,097	1,069	2,465,196	1,071,524	1,393,672	3,513
Wholesale and retail trade	1,314	1,051	1,012	605,834	329,303	276,531	2,925
Wholesale trade	1,201	972	936	520,703	301,843	218,860	2,608
Retail trade	113	79	76	85,132	27,460	57,671	318
Transportation and warehousing	132	88	77	72,276	15,963	56,313	3,046
Information	136	92	86	383,633	57,473	326,160	3,513
Finance and insurance	350	269	266	5,210,216	2,599,947	2,610,269	23,604
Real estate and rental and leasing	77	55	55	84,022	25,499	58,523	114
Professional, scientific, and technical services	212	144	138	146,904	41,051	105,853	206
Management of companies (holding companies)	98	77	71	1,110,861	760,149	350,711	282
Administrative and support and waste management and remediation services	90	57	55	41,281	10,181	31,100	24
Educational services	8	d	d	5,085	2,213	2,873	0
Health care and social assistance	20	12	11	33,817	2,712	31,106	10,925
Arts, entertainment, and recreation	11	d	d	10,905	3,384	7,521	164
Accommodation and food services	44	31	24	66,051	5,502	60,549	15
Other services	23	13	13	3,809	991	2,819	21
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	15,320	11,472	11,166	49,309,871	20,160,161	29,149,710	414,688
Agriculture, forestry, fishing, and hunting	109	84	84	27,983	9,487	18,495	75
Mining	242	158	168	553,931	103,634	450,297	1,522
Utilities	169	134	135	1,374,331	252,307	1,122,024	217
Construction	827	698	704	195,686	111,116	84,570	405
Manufacturing	3,214	2,267	2,120	7,247,643	2,491,913	4,755,731	52,765
Wholesale and retail trade	3,875	2,965	2,914	2,041,457	734,196	1,307,261	986
Wholesale trade	2,266	1,846	1,809	968,184	349,049	619,135	300
Retail trade	1,608	1,119	1,105	1,073,273	385,146	688,126	686
Transportation and warehousing	502	318	310	511,486	108,480	403,006	2,522
Information	658	410	381	2,587,296	394,451	2,192,844	928
Finance and insurance	1,953	1,562	1,563	17,999,559	6,957,470	11,042,090	6,973
Real estate and rental and leasing	201	109	115	215,239	47,638	167,601	35
Professional, scientific, and technical services	908	676	650	384,991	176,621	208,370	492
Management of companies (holding companies)	1,346	1,232	1,236	15,430,110	8,631,445	6,798,665	347,594
Administrative and support and waste management and remediation services	323	232	213	149,670	37,505	112,164	44
Educational services	66	45	44	21,593	5,766	15,827	0
Health care and social assistance	512	313	286	198,589	46,170	152,419	31
Arts, entertainment, and recreation	67	44	39	43,168	8,053	35,115	5
Accommodation and food services	254	158	139	300,622	38,800	261,822	80
Other services	94	67	63	26,515	5,107	21,408	14

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	Liabilities			Net worth			
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from shareholders		Total	Appropriated	Unappropriated
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS							
All industries	4,894,852	3,712,311	199,301	1,940,050	59,729	15,874	43,854
Agriculture, forestry, fishing, and hunting	931	1,204	48	3,743	416	13	403
Mining	31,925	46,345	3,922	70,214	13,972	0	13,972
Utilities	20,846	62,474	1,684	30,034	-9,859	1	-9,860
Construction	17,058	11,472	1,765	11,077	-47	16	-63
Manufacturing	919,115	821,542	72,055	724,539	3,704	522	3,182
Wholesale and retail trade	254,307	173,808	5,576	177,720	20,559	14	20,545
Wholesale trade	227,210	141,849	5,329	151,644	20,611	11	20,600
Retail trade	27,097	31,959	246	26,076	-52	3	-55
Transportation and warehousing	13,988	37,358	6,359	20,930	-3,070	6	-3,076
Information	70,320	122,529	44,236	190,784	-16,098	42	-16,140
Finance and insurance	2,665,392	2,096,777	38,363	448,047	51,800	14,527	37,273
Real estate and rental and leasing	16,895	42,225	2,808	24,902	1,464	0	1,464
Professional, scientific, and technical services	43,754	39,410	4,368	63,739	-13,727	25	-13,752
Management of companies (holding companies)	815,334	175,682	2,448	119,844	24,235	708	23,527
Administrative and support and waste management and remediation services	10,788	16,380	2,159	14,112	-16,598	0	-16,599
Educational services	1,462	2,827	25	797	-101	0	-101
Health care and social assistance	2,892	19,455	11,286	11,470	559	0	559
Arts, entertainment, and recreation	2,246	7,132	1,482	1,527	-718	1	-719
Accommodation and food services	6,069	33,431	663	26,551	2,783	0	2,783
Other services	1,532	2,259	56	19	454	0	454
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	24,087,587	14,742,659	283,202	10,479,625	4,106,514	139,606	3,966,908
Agriculture, forestry, fishing, and hunting	5,814	15,991	839	6,177	1,412	1	1,411
Mining	100,087	207,420	284	246,424	116,575	84	116,491
Utilities	237,858	796,847	1,873	339,626	49,195	1,321	47,874
Construction	59,196	64,212	616	72,277	45,542	338	45,204
Manufacturing	2,253,700	2,370,640	40,555	2,623,304	1,288,566	5,522	1,283,043
Wholesale and retail trade	633,872	582,403	4,100	825,182	502,150	2,892	499,257
Wholesale trade	265,743	248,881	1,504	453,560	288,248	2,719	285,528
Retail trade	368,129	333,522	2,596	371,621	213,902	173	213,729
Transportation and warehousing	121,301	232,644	2,985	157,541	62,195	118	62,077
Information	501,520	1,039,131	890	1,046,644	-112,328	155	-112,483
Finance and insurance	9,331,079	6,165,773	6,550	2,502,707	1,288,264	118,037	1,170,227
Real estate and rental and leasing	52,128	108,096	2,079	55,016	10,385	102	10,283
Professional, scientific, and technical services	132,978	118,789	939	133,224	-25,963	80	-26,043
Management of companies (holding companies)	10,521,462	2,623,534	220,163	2,285,115	849,069	6,989	842,079
Administrative and support and waste management and remediation services	39,057	62,270	109	48,342	15,801	82	15,719
Educational services	4,819	8,011	19	8,763	2,817	0	2,817
Health care and social assistance	36,692	121,762	441	40,135	-37,226	84	-37,310
Arts, entertainment, and recreation	7,939	25,149	420	10,080	-2,838	15	-2,853
Accommodation and food services	43,747	185,351	290	71,524	49,840	3,785	46,055
Other services	4,337	14,634	50	7,544	3,059	1	3,059

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—Continued

[Money amounts are in millions of dollars]

Control status and industrial sector	Receipts						
	Total	Business receipts	Interest [1]	Rents	Royalties	Dividends received from:	
						Domestic corporations	Foreign corporations
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FOREIGN-CONTROLLED DOMESTIC CORPORATIONS							
All industries	4,007,058	3,419,162	379,991	14,297	15,597	5,577	8,425
Agriculture, forestry, fishing, and hunting	9,408	9,339	24	5	1	1	2
Mining	75,329	68,015	1,484	69	354	1,509	190
Utilities	44,797	43,277	740	85	0	55	6
Construction	47,674	46,540	451	101	46	58	2
Manufacturing	1,813,352	1,716,333	27,308	8,289	6,410	824	5,383
Wholesale and retail trade	1,013,426	987,386	7,211	1,354	2,751	634	654
Wholesale trade	867,373	845,560	6,586	967	1,978	609	441
Retail trade	146,053	141,826	625	388	774	25	213
Transportation and warehousing	55,983	53,546	613	245	13	10	37
Information	103,524	82,623	3,059	164	4,028	41	172
Finance and insurance	550,075	234,432	252,515	1,699	31	2,014	364
Real estate and rental and leasing	20,763	16,086	1,241	481	10	43	2
Professional, scientific, and technical services	76,411	69,192	2,484	93	1,057	154	1,100
Management of companies (holding companies)	110,786	15,896	81,370	1,504	27	182	293
Administrative and support and waste management and remediation services	36,811	34,436	436	28	18	42	60
Educational services	1,681	1,514	94	1	57	2	3
Health care and social assistance	10,530	10,185	54	5	5	0	0
Arts, entertainment, and recreation	3,962	3,209	167	82	91	0	20
Accommodation and food services	28,235	23,020	723	91	621	8	100
Other services	4,310	4,134	15	1	77	0	37
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	15,156,658	12,245,852	1,752,810	81,085	146,496	27,453	79,249
Agriculture, forestry, fishing, and hunting	21,360	20,154	369	110	37	4	1
Mining	245,237	216,261	3,569	700	900	257	6,167
Utilities	654,090	607,536	9,989	2,463	101	393	838
Construction	248,956	239,600	2,061	656	120	42	523
Manufacturing	4,864,773	4,335,145	172,746	29,140	90,137	3,023	52,476
Wholesale and retail trade	3,153,315	3,057,239	18,629	5,567	10,142	1,816	2,417
Wholesale trade	1,341,109	1,296,983	10,386	2,596	3,939	1,494	1,450
Retail trade	1,812,205	1,760,256	8,243	2,971	6,203	322	967
Transportation and warehousing	433,446	413,140	4,667	1,157	1,471	73	534
Information	921,496	759,249	47,541	11,476	28,961	1,009	2,665
Finance and insurance	2,652,477	1,528,386	795,840	6,109	1,220	17,208	4,226
Real estate and rental and leasing	102,967	86,121	2,642	550	2,849	64	24
Professional, scientific, and technical services	280,691	263,631	5,501	241	3,612	59	725
Management of companies (holding companies)	978,162	170,278	681,588	21,127	311	3,409	7,307
Administrative and support and waste management and remediation services	152,336	145,186	1,448	129	605	43	327
Educational services	16,854	16,259	175	27	88	1	0
Health care and social assistance	191,783	179,466	2,123	498	46	13	47
Arts, entertainment, and recreation	25,591	23,121	599	102	146	7	42
Accommodation and food services	190,527	163,630	3,194	1,004	5,637	12	879
Other services	22,598	21,450	128	32	114	21	49

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	3,870,956	2,525,672	12,917	233,479	354,663	46,061	90,206
Agriculture, forestry, fishing, and hunting	9,359	7,710	26	332	184	47	224
Mining	62,710	34,293	240	3,494	2,813	1,208	3,297
Utilities	43,725	27,128	167	1,334	2,348	1,117	1,988
Construction	47,725	41,017	196	1,405	768	307	391
Manufacturing	1,740,900	1,344,136	4,552	77,546	51,763	19,177	45,634
Wholesale and retail trade	986,820	811,384	2,100	44,125	12,226	7,506	16,292
Wholesale trade	844,568	710,204	1,891	29,935	9,972	5,423	13,922
Retail trade	142,252	101,180	209	14,190	2,254	2,083	2,370
Transportation and warehousing	56,036	22,378	223	9,023	1,494	1,517	1,956
Information	93,074	30,126	548	13,865	9,203	1,791	4,875
Finance and insurance	556,315	143,968	2,793	35,636	210,567	4,870	7,315
Real estate and rental and leasing	18,560	3,890	257	3,108	2,364	492	3,473
Professional, scientific, and technical services	73,852	24,627	952	16,473	4,350	3,046	1,223
Management of companies (holding companies)	99,012	1,235	375	9,477	52,470	1,109	1,957
Administrative and support and waste management and remediation services	36,092	15,636	212	8,604	1,259	1,498	545
Educational services	1,596	571	50	318	196	38	20
Health care and social assistance	9,852	3,693	40	1,686	568	432	278
Arts, entertainment, and recreation	4,051	1,639	67	470	492	291	283
Accommodation and food services	27,243	10,112	90	6,000	1,401	1,518	418
Other services	4,033	2,128	30	583	198	97	37
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	14,302,189	7,782,737	78,979	1,379,143	1,479,254	267,373	363,164
Agriculture, forestry, fishing, and hunting	20,861	16,385	149	844	852	296	379
Mining	217,041	111,491	2,031	10,173	10,377	7,619	13,156
Utilities	612,649	375,076	2,300	24,058	33,947	20,168	33,841
Construction	248,236	196,204	2,252	11,080	3,174	3,378	2,570
Manufacturing	4,583,426	3,225,534	18,337	279,748	235,376	76,566	108,178
Wholesale and retail trade	3,031,440	2,352,282	10,775	251,962	35,895	40,589	40,783
Wholesale trade	1,292,194	1,083,535	6,226	67,971	16,207	12,781	12,743
Retail trade	1,739,246	1,268,748	4,549	183,991	19,688	27,809	28,039
Transportation and warehousing	424,094	118,387	1,932	79,914	11,394	13,444	22,538
Information	839,379	147,478	7,069	138,366	79,164	21,239	55,174
Finance and insurance	2,498,066	980,485	13,322	219,799	562,431	34,187	21,801
Real estate and rental and leasing	99,978	18,886	845	18,205	7,767	2,895	18,398
Professional, scientific, and technical services	273,299	88,959	6,054	74,201	8,454	7,451	4,825
Management of companies (holding companies)	880,650	1,939	7,726	119,192	465,438	13,657	24,064
Administrative and support and waste management and remediation services	144,938	62,403	1,397	30,911	4,577	7,124	3,441
Educational services	15,631	1,348	259	5,469	568	465	444
Health care and social assistance	186,729	20,145	1,573	65,135	8,347	6,577	4,579
Arts, entertainment, and recreation	24,990	4,920	304	4,970	1,769	2,205	1,403
Accommodation and food services	179,397	50,591	2,448	41,299	9,114	8,725	6,927
Other services	21,385	10,223	207	3,817	609	787	663

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	136,103	7,722	142,729	201,100	-58,371	33,192	29,076
Agriculture, forestry, fishing, and hunting	50	13	61	166	-105	29	28
Mining	12,619	362	12,981	14,821	-1,840	2,236	1,030
Utilities	1,072	0	1,068	1,344	-276	320	276
Construction	-51	6	-47	1,219	-1,265	335	278
Manufacturing	72,451	4,022	76,362	91,570	-15,208	8,135	7,380
Wholesale and retail trade	26,606	508	27,044	30,609	-3,565	4,991	4,474
Wholesale trade	22,805	477	23,214	26,191	-2,976	3,473	2,976
Retail trade	3,801	31	3,830	4,418	-588	1,518	1,498
Transportation and warehousing	-53	23	-30	1,845	-1,875	284	276
Information	10,450	230	10,668	12,747	-2,079	3,999	3,967
Finance and insurance	-6,240	830	-5,983	22,654	-28,638	9,434	8,273
Real estate and rental and leasing	2,203	10	2,190	2,513	-323	1,026	993
Professional, scientific, and technical services	2,558	542	3,099	4,951	-1,852	1,133	998
Management of companies (holding companies)	11,774	842	12,328	12,827	-499	389	264
Administrative and support and waste management and remediation services	719	50	764	1,172	-408	564	532
Educational services	85	2	87	d	d	d	d
Health care and social assistance	678	1	679	778	-99	37	37
Arts, entertainment, and recreation	-89	185	94	d	d	d	d
Accommodation and food services	993	73	1,066	1,196	-130	132	125
Other services	277	22	299	308	-10	10	10
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	854,469	109,381	935,296	1,060,275	-124,979	91,141	73,150
Agriculture, forestry, fishing, and hunting	500	52	538	1,150	-612	87	84
Mining	28,196	4,015	32,146	35,843	-3,697	1,922	1,722
Utilities	41,441	676	41,906	45,969	-4,063	6,003	5,596
Construction	720	385	1,034	9,927	-8,893	351	323
Manufacturing	281,347	67,781	347,652	376,519	-28,867	23,993	21,048
Wholesale and retail trade	121,874	4,102	125,101	133,134	-8,033	5,233	3,882
Wholesale trade	48,915	1,910	50,486	53,726	-3,240	2,542	1,475
Retail trade	72,959	2,192	74,615	79,408	-4,793	2,691	2,407
Transportation and warehousing	9,352	439	9,655	17,876	-8,222	2,915	2,859
Information	82,117	4,402	85,961	99,003	-13,042	21,208	20,417
Finance and insurance	154,411	15,979	152,503	180,416	-27,913	17,555	8,545
Real estate and rental and leasing	2,989	117	3,081	7,025	-3,944	1,579	1,519
Professional, scientific, and technical services	7,392	1,234	8,463	14,846	-6,383	3,475	3,425
Management of companies (holding companies)	97,512	8,195	98,900	102,619	-3,719	3,728	710
Administrative and support and waste management and remediation services	7,398	480	7,788	8,946	-1,158	1,164	1,132
Educational services	1,223	16	1,168	1,523	-355	27	27
Health care and social assistance	5,054	16	5,005	7,644	-2,639	707	698
Arts, entertainment, and recreation	601	37	623	1,493	-870	290	285
Accommodation and food services	11,130	1,438	12,546	14,977	-2,431	537	528
Other services	1,213	18	1,228	1,365	-137	367	349

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	172,571	61,208	60,385	812	12,051	10,007	49,157
Agriculture, forestry, fishing, and hunting	138	49	48	1	10	9	39
Mining	12,586	4,502	4,403	99	2,163	1,945	2,339
Utilities	1,024	386	358	28	28	0	358
Construction	884	314	308	6	10	7	304
Manufacturing	83,723	29,482	29,248	232	7,135	6,192	22,347
Wholesale and retail trade	25,630	9,148	8,946	202	568	354	8,579
Wholesale trade	22,729	8,114	7,932	182	535	334	7,579
Retail trade	2,901	1,034	1,014	20	33	20	1,001
Transportation and warehousing	1,584	558	553	4	34	32	523
Information	8,726	3,108	3,053	55	91	57	3,017
Finance and insurance	17,506	6,342	6,207	132	739	524	5,603
Real estate and rental and leasing	1,544	566	539	26	4	1	562
Professional, scientific, and technical services	3,821	1,342	1,334	8	475	409	867
Management of companies (holding companies)	12,441	4,361	4,354	5	591	335	3,770
Administrative and support and waste management and remediation services	618	224	215	9	43	20	181
Educational services	d	d	d	d	d	d	d
Health care and social assistance	741	259	259	0	5	1	255
Arts, entertainment, and recreation	d	d	d	d	d	d	d
Accommodation and food services	1,067	377	373	4	99	68	278
Other services	299	104	104	0	24	24	81
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED							
All industries	983,310	346,060	343,822	2,137	92,197	75,721	253,863
Agriculture, forestry, fishing, and hunting	1,064	372	371	1	13	8	359
Mining	33,923	12,108	11,870	234	4,857	4,754	7,251
Utilities	40,435	14,265	14,185	75	2,042	251	12,223
Construction	9,578	3,353	3,335	4	228	170	3,124
Manufacturing	351,178	123,543	122,937	551	56,411	50,838	67,133
Wholesale and retail trade	127,896	44,820	44,691	152	2,919	2,175	41,901
Wholesale trade	51,176	17,929	17,857	80	1,187	858	16,742
Retail trade	76,720	26,891	26,834	72	1,732	1,317	25,159
Transportation and warehousing	14,972	5,297	5,234	63	644	475	4,653
Information	83,421	29,390	29,180	197	5,290	3,649	24,100
Finance and insurance	171,364	60,568	59,920	626	8,599	6,341	51,969
Real estate and rental and leasing	5,545	1,997	1,901	90	92	48	1,904
Professional, scientific, and technical services	11,373	4,056	3,999	56	856	695	3,200
Management of companies (holding companies)	99,496	34,813	34,776	41	8,059	4,815	26,755
Administrative and support and waste management and remediation services	8,074	2,830	2,817	13	425	295	2,405
Educational services	1,495	522	522	0	2	1	521
Health care and social assistance	6,861	2,288	2,269	16	47	10	2,241
Arts, entertainment, and recreation	1,203	425	420	5	38	32	387
Accommodation and food services	14,436	5,064	5,049	12	1,638	1,146	3,426
Other services	996	348	347	1	37	19	310

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	73.50	71.01	46.41	35.20	18.39	443.66
Agriculture, forestry, fishing, and hunting	80.00	80.00	15.84	20.48	63.68	57.04
Mining	64.95	65.98	21.50	31.21	47.29	111.47
Utilities	65.63	65.63	18.39	55.11	26.50	277.42
Construction	73.68	73.68	43.07	28.96	27.97	257.56
Manufacturing	70.68	68.88	37.28	33.33	29.39	240.24
Wholesale and retail trade	79.98	77.02	41.98	28.69	29.33	240.89
Wholesale trade	80.93	77.94	43.64	27.24	29.12	243.37
Retail trade	69.91	67.26	31.83	37.54	30.63	226.48
Transportation and warehousing	66.67	58.33	19.35	51.69	28.96	245.32
Information	67.65	63.24	18.33	31.94	49.73	101.08
Finance and insurance	76.86	76.00	51.16	40.24	8.60	1,062.87
Real estate and rental and leasing	71.43	71.43	20.11	50.25	29.64	237.41
Professional, scientific, and technical services	67.92	65.09	29.78	26.83	43.39	130.48
Management of companies (holding companies)	78.57	72.45	73.40	15.81	10.79	826.92
Administrative and support and waste management and remediation services	63.33	61.11	26.13	39.68	34.19	192.52
Educational services	d	d	28.75	55.59	15.67	538.14
Health care and social assistance	60.00	55.00	8.55	57.53	33.92	194.83
Arts, entertainment, and recreation	d	d	20.60	65.40	14.00	614.15
Accommodation and food services	70.45	54.55	9.19	50.61	40.20	148.77
Other services	56.52	56.52	40.22	59.31	0.50	19,952.63
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED						
All industries	74.88	72.89	48.85	29.90	21.25	370.53
Agriculture, forestry, fishing, and hunting	77.06	77.06	20.78	57.15	22.07	353.00
Mining	65.29	69.42	18.07	37.45	44.49	124.79
Utilities	79.29	79.88	17.31	57.98	24.71	304.66
Construction	84.40	85.13	30.25	32.81	36.94	170.74
Manufacturing	70.54	65.96	31.10	32.71	36.20	176.28
Wholesale and retail trade	76.52	75.20	31.05	28.53	40.42	147.39
Wholesale trade	81.47	79.83	27.45	25.71	46.85	113.46
Retail trade	69.59	68.72	34.30	31.08	34.63	188.81
Transportation and warehousing	63.35	61.75	23.72	45.48	30.80	224.67
Information	62.31	57.90	19.38	40.16	40.45	147.20
Finance and insurance	79.98	80.03	51.84	34.26	13.90	619.20
Real estate and rental and leasing	54.23	57.21	24.22	50.22	25.56	291.23
Professional, scientific, and technical services	74.45	71.59	34.54	30.86	34.60	188.98
Management of companies (holding companies)	91.53	91.83	68.19	17.00	14.81	575.24
Administrative and support and waste management and remediation services	71.83	65.94	26.10	41.60	32.30	209.60
Educational services	68.18	66.67	22.32	37.10	40.58	146.41
Health care and social assistance	61.13	55.86	18.48	61.31	20.21	394.80
Arts, entertainment, and recreation	65.67	58.21	18.39	58.26	23.35	328.25
Accommodation and food services	62.20	54.72	14.55	61.66	23.79	320.31
Other services	71.28	67.02	16.36	55.19	28.45	251.47

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	37.99	73.87	8.85	1.29	7.02	3.40
Agriculture, forestry, fishing, and hunting	160.05	82.56	1.96	0.85	1.34	0.53
Mining	50.73	50.42	3.73	8.50	17.97	16.75
Utilities	39.52	62.68	5.24	0.95	3.57	2.39
Construction	120.37	88.13	1.61	-0.13	-0.46	-0.11
Manufacturing	73.56	78.31	2.85	2.94	10.00	4.00
Wholesale and retail trade	167.28	82.17	1.21	4.39	14.97	2.63
Wholesale trade	166.58	83.99	1.15	4.38	15.04	2.63
Retail trade	171.56	71.34	1.54	4.46	14.58	2.60
Transportation and warehousing	77.46	41.79	2.67	-0.07	-0.25	-0.09
Information	26.99	36.46	8.89	2.72	5.48	10.09
Finance and insurance	10.56	61.41	38.28	-0.12	-1.39	-1.13
Real estate and rental and leasing	24.71	24.18	11.39	2.62	8.85	10.61
Professional, scientific, and technical services	52.01	35.59	5.69	1.74	4.01	3.35
Management of companies (holding companies)	9.97	7.77	47.36	1.06	9.82	10.63
Administrative and support and waste management and remediation services	89.17	45.41	3.42	1.74	5.09	1.95
Educational services	33.06	37.71	11.66	1.67	10.66	5.06
Health care and social assistance	31.14	36.26	5.39	2.00	5.91	6.44
Arts, entertainment, and recreation	36.33	51.08	12.42	-0.82	-5.83	-2.25
Accommodation and food services	42.75	43.93	4.96	1.50	3.74	3.52
Other services	113.15	51.48	4.59	7.27	1,457.89	6.43
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED						
All industries	30.74	63.55	9.76	1.73	8.15	5.64
Agriculture, forestry, fishing, and hunting	76.33	81.30	3.99	1.79	8.09	2.34
Mining	44.27	51.55	4.23	5.09	11.44	11.50
Utilities	47.59	61.74	5.19	3.02	12.20	6.34
Construction	127.22	81.89	1.27	0.37	1.00	0.29
Manufacturing	67.12	74.40	4.84	3.88	10.72	5.78
Wholesale and retail trade	154.46	76.94	1.14	5.97	14.77	3.86
Wholesale trade	138.52	83.54	1.21	5.05	10.78	3.65
Retail trade	168.85	72.08	1.09	6.80	19.63	4.03
Transportation and warehousing	84.74	28.66	2.63	1.83	5.94	2.16
Information	35.62	19.42	8.59	3.17	7.85	8.91
Finance and insurance	14.74	64.15	21.20	0.86	6.17	5.82
Real estate and rental and leasing	47.84	21.93	7.54	1.39	5.43	2.90
Professional, scientific, and technical services	72.91	33.74	3.01	1.92	5.55	2.63
Management of companies (holding companies)	6.34	1.14	47.58	0.63	4.27	9.97
Administrative and support and waste management and remediation services	101.78	42.98	3.00	4.94	15.30	4.86
Educational services	78.05	8.29	3.37	5.66	13.96	7.26
Health care and social assistance	96.57	11.22	4.35	2.54	12.59	2.64
Arts, entertainment, and recreation	59.28	21.28	6.91	1.39	5.96	2.35
Accommodation and food services	63.38	30.92	4.78	3.70	15.56	5.84
Other services	85.23	47.66	2.69	4.57	16.08	5.37

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	1.35	7.36	3.56	14.46
Agriculture, forestry, fishing, and hunting	1.04	1.63	0.65	16.87
Mining	8.74	18.49	17.23	6.95
Utilities	0.94	3.56	2.38	20.54
Construction	-0.12	-0.42	-0.10	22.81
Manufacturing	3.10	10.54	4.21	8.06
Wholesale and retail trade	4.46	15.22	2.67	14.62
Wholesale trade	4.46	15.31	2.68	11.36
Retail trade	4.50	14.69	2.62	33.91
Transportation and warehousing	-0.04	-0.14	-0.05	14.96
Information	2.78	5.59	10.30	31.12
Finance and insurance	-0.11	-1.34	-1.09	36.52
Real estate and rental and leasing	2.61	8.79	10.55	39.51
Professional, scientific, and technical services	2.11	4.86	4.06	20.16
Management of companies (holding companies)	1.11	10.29	11.13	2.06
Administrative and support and waste management and remediation services	1.85	5.41	2.08	45.39
Educational services	1.71	10.92	5.18	d
Health care and social assistance	2.01	5.92	6.45	4.76
Arts, entertainment, and recreation	0.86	6.16	2.37	d
Accommodation and food services	1.61	4.01	3.78	10.45
Other services	7.85	1,573.68	6.94	3.25
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED				
All industries	1.90	8.92	6.17	6.90
Agriculture, forestry, fishing, and hunting	1.92	8.71	2.52	7.30
Mining	5.80	13.04	13.11	4.80
Utilities	3.05	12.34	6.41	12.17
Construction	0.53	1.43	0.42	3.25
Manufacturing	4.80	13.25	7.15	5.59
Wholesale and retail trade	6.13	15.16	3.97	2.92
Wholesale trade	5.21	11.13	3.76	2.75
Retail trade	6.95	20.08	4.12	3.03
Transportation and warehousing	1.89	6.13	2.23	15.99
Information	3.32	8.21	9.33	20.62
Finance and insurance	0.85	6.09	5.75	4.74
Real estate and rental and leasing	1.43	5.60	2.99	21.62
Professional, scientific, and technical services	2.20	6.35	3.02	23.07
Management of companies (holding companies)	0.64	4.33	10.11	0.69
Administrative and support and waste management and remediation services	5.20	16.11	5.11	12.65
Educational services	5.41	13.33	6.93	1.77
Health care and social assistance	2.52	12.47	2.61	9.13
Arts, entertainment, and recreation	1.44	6.18	2.43	19.09
Accommodation and food services	4.17	17.54	6.58	3.53
Other services	4.63	16.28	5.43	25.57

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2007

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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 2007—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	1.64	8.90	4.31	0.47	2.53	1.23
Agriculture, forestry, fishing, and hunting	2.35	3.69	1.47	0.66	1.04	0.41
Mining	8.48	17.93	16.71	1.58	3.33	3.11
Utilities	0.90	3.41	2.29	0.32	1.19	0.80
Construction	2.23	7.98	1.85	0.77	2.74	0.64
Manufacturing	3.40	11.56	4.62	0.91	3.08	1.23
Wholesale and retail trade	4.23	14.42	2.53	1.42	4.83	0.85
Wholesale trade	4.37	14.99	2.62	1.46	5.00	0.87
Retail trade	3.41	11.13	1.99	1.18	3.84	0.69
Transportation and warehousing	2.19	7.57	2.83	0.72	2.50	0.93
Information	2.27	4.57	8.43	0.79	1.58	2.91
Finance and insurance	0.34	3.91	3.18	0.11	1.25	1.02
Real estate and rental and leasing	1.84	6.20	7.44	0.67	2.26	2.71
Professional, scientific, and technical services	2.60	5.99	5.00	0.59	1.36	1.13
Management of companies (holding companies)	1.12	10.38	11.23	0.34	3.15	3.40
Administrative and support and waste management and remediation services	1.50	4.38	1.68	0.44	1.28	0.49
Educational services	d	d	d	d	d	d
Health care and social assistance	2.19	6.46	7.04	0.75	2.22	2.42
Arts, entertainment, and recreation	d	d	d	d	d	d
Accommodation and food services	1.62	4.02	3.78	0.42	1.05	0.98
Other services	7.85	1,573.68	6.94	2.13	426.32	1.88
DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED						
All industries	1.99	9.38	6.49	0.51	2.42	1.67
Agriculture, forestry, fishing, and hunting	3.80	17.23	4.98	1.28	5.81	1.68
Mining	6.12	13.77	13.83	1.31	2.94	2.96
Utilities	2.94	11.91	6.18	0.89	3.60	1.87
Construction	4.89	13.25	3.85	1.60	4.32	1.25
Manufacturing	4.85	13.39	7.22	0.93	2.56	1.38
Wholesale and retail trade	6.26	15.50	4.06	2.05	5.08	1.33
Wholesale trade	5.29	11.28	3.82	1.73	3.69	1.25
Retail trade	7.15	20.64	4.23	2.34	6.77	1.39
Transportation and warehousing	2.93	9.50	3.45	0.91	2.95	1.07
Information	3.22	7.97	9.05	0.93	2.30	2.62
Finance and insurance	0.95	6.85	6.46	0.29	2.08	1.96
Real estate and rental and leasing	2.58	10.08	5.39	0.88	3.46	1.85
Professional, scientific, and technical services	2.95	8.54	4.05	0.83	2.40	1.14
Management of companies (holding companies)	0.64	4.35	10.17	0.17	1.17	2.74
Administrative and support and waste management and remediation services	5.39	16.70	5.30	1.61	4.97	1.58
Educational services	6.92	17.06	8.87	2.41	5.95	3.09
Health care and social assistance	3.45	17.09	3.58	1.13	5.58	1.17
Arts, entertainment, and recreation	2.79	11.93	4.70	0.90	3.84	1.51
Accommodation and food services	4.80	20.18	7.58	1.14	4.79	1.80
Other services	3.76	13.20	4.41	1.17	4.11	1.37

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

[1] Excludes nontaxable interest received on State and local government obligations, which totaled \$28.6 billion for large domestic corporations not foreign-controlled, and \$1.1 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.

Corporate Foreign Tax Credit, 2006

by Nuria E. McGrath

The United States taxes corporations on the basis of worldwide income, regardless of the source. Because U.S. corporations are frequently taxed by foreign jurisdictions on their incomes earned abroad, foreign-source income may be subject to double taxation. Since 1918, the U.S. has allowed a credit against U.S. tax for a portion of these foreign income taxes. Currently, the credit is limited to the amount of U.S. tax a corporation would have otherwise paid on foreign-source taxable income.¹ Corporations report their foreign-source incomes and taxes in separate limitation categories, or “baskets,” depending on the nature of the income (see Explanation of Terms section of this article for details). Alternatively, corporations may deduct foreign taxes from their foreign-source incomes. However, the majority of taxpayers choose the foreign tax credit, because it offsets U.S. taxes dollar-for-dollar.

For Tax Year 2006, corporations that filed a U.S. income tax return claimed foreign tax credits worth \$78.2 billion. The 6,947 corporations that claimed a foreign tax credit reduced their U.S. tax on worldwide income by 26.4 percent, from \$296.8 billion to \$218.6 billion. Other credits, including the general business credit and the possessions tax credit, further reduced their U.S. tax on worldwide income to \$205.2 billion.^{2,3} This group of corporations reported \$847.4 billion in worldwide taxable income.⁴ Almost \$336 billion of worldwide taxable income, 39.6 percent, was reported as foreign-source on Form 1118, *Computation of Foreign Tax Credit—Corporations*.

As outlined in Figure A, although they reported just 21 percent of all returns, corporations whose primary business was manufacturing claimed 64.0 percent of the total foreign tax credit, earned 43.6 percent of the worldwide taxable income, and accounted for 43.5 percent of the U.S. income tax before credits

for Tax Year 2006. As well, corporations whose primary business was manufacturing accounted for 60.0 percent of the total foreign-source taxable income for corporations that claimed a foreign tax credit. Within the manufacturing category, petroleum and coal products manufacturing and chemical manufacturing companies combined to account for 41.1 percent of the total foreign tax credit and 23.2 percent of both worldwide taxable income and U.S. income tax before credits. Finance and insurance (10.6 percent), services (9.5 percent), mining (5.3 percent), and wholesale and retail trade (5.3 percent) were next among leading contributors to the foreign tax credit. Meanwhile, the finance and insurance (17.6 percent and 17.7 percent), services (14.5 percent and 14.5 percent), wholesale and retail trade (11.0 percent and 10.9 percent), and information (7.3 percent and 7.3 percent) industries were next in terms of their contributions to total worldwide taxable income and total U.S. tax liability, respectively.

Among corporations that claimed a foreign tax credit, those in the following geographic regions reported the largest amounts of foreign-source taxable income: Europe (43.6 percent), Asia (16.9 percent), and Latin America (11.7 percent). As detailed in Figure B, corporations with business in the United Kingdom (14.9 percent), Canada (9.0 percent), Norway (4.7 percent), and Japan (4.2 percent) were the leading sources of foreign-source taxable income among individual countries. Norway accounted for the largest percentage, 12.4 percent, of foreign taxes paid or deemed paid. Other countries that received a notable share of foreign taxes paid or deemed paid included the United Kingdom (10.7 percent), Canada (9.5 percent), and Japan (6.4 percent).

For 2006, U.S. corporations computed their total foreign tax credit by first computing a separate limitation for each defined group of statutory categories of foreign-source income, or “baskets,” and then adding those credits together. Since the reductions of statutory categories included in the American Jobs Creation Act of 2004 did not take effect until Tax Year 2007,

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¹ Foreign-source taxable income is also referred to as “taxable income (less loss) before adjustments.”

² The general business credit consists of a combination of several individual credits, each of which is computed separately. The purpose of the general business credit is to provide a uniform limitation on the amount that can be used to reduce tax liability and to establish uniform rules for carrybacks and carryforwards. For more information, see *Corporation Complete Report*, Publication 16.

³ Possessions tax credits are claimed by certain corporations that do business in U.S. possessions, most often in Puerto Rico. In general, to qualify for the possessions tax credit, a corporation must be a domestic corporation (organized under the laws of one of the 50 states) and have filed Form 5712, *Election To Be Treated as a Possessions Corporation Under Section 936*. Once filed, this election remains in effect for 10 years, unless the taxpayer obtains permission for a revocation from the Internal Revenue Service. Due to transition rules, existing possessions corporations can claim credits through taxable years beginning before January 1, 2006. For a more complete history of the possessions tax credit, see Holik, Daniel S., “U.S. Possessions Corporation Returns, 2005,” *Statistics of Income Bulletin*, Spring 2009, Volume 28, Number 4.

⁴ Worldwide taxable income is also referred to as “income subject to U.S. tax.”

Corporate Foreign Tax Credit, 2006

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Figure A

Selected Items From Corporations That Claimed a Foreign Tax Credit, by Selected Industrial Sectors, Tax Year 2006

[Money amounts are in thousands of dollars]

Selected industrial sectors	Number of returns	Worldwide taxable income [1]	Foreign tax credit claimed	U.S. income tax before credits
	(1)	(2)	(3)	(4)
All industries	6,947	847,400,555	78,225,098	296,836,560
Manufacturing	1,462	369,163,043	50,032,136	129,229,094
Finance and insurance	741	149,050,571	8,291,632	52,636,035
Services	1,919	123,068,145	7,424,305	43,084,340
Wholesale and retail trade	843	93,082,046	4,142,967	32,157,317
Information	268	62,222,851	3,378,280	21,782,078

[1] Worldwide taxable income is also referred to as "income subject to U.S. tax."

Figure B

Selected Items From Corporations That Claimed a Foreign Tax Credit, by Selected Country, Tax Year 2006

[Money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign-source taxable income [1]	Current-year foreign taxes paid [2]
	(1)	(2)	(3)
All geographic areas	6,947	335,545,482	85,971,728
United Kingdom	1,226	49,925,918	9,210,881
Canada	2,156	30,033,206	8,182,513
Norway	215	15,715,713	10,647,084
Japan	790	14,054,804	5,524,870
Netherlands	795	12,329,636	3,030,811
Ireland	318	11,872,618	917,257
Bermuda	250	10,526,211	998,535

[1] Foreign-source taxable income is also referred to as "taxable income (less loss) before adjustments."

[2] Current-year foreign taxes paid is also referred to as "foreign taxes: total paid, accrued, or deemed paid."

there were still multiple categories for Tax Year 2006. Those included in these statistics were passive income, high withholding tax interest, financial services income, shipping income, dividends from a domestic international sales corporation (DISC) or former DISC, certain distributions from a foreign sales corporation (FSC) or former FSC, section 901(j) income, income re-sourced by treaty, and general limitation income.⁵ Income classified in the general limitation category is by far the most frequently reported, accounting for the majority of all taxable income and income taxes reported on Form 1118. Slightly more than half of corporations that claimed a foreign tax credit in 2006 reported income in the general limita-

tion category, which accounted for 74.5 percent of total foreign-source taxable income and 81.6 percent of total foreign taxes.

Summary

U.S. corporations reported more than \$78 billion in foreign tax credits on about \$847 billion in worldwide taxable income. The manufacturing industry accounted for the largest percentage of foreign-source taxable income. Together, income earned in the United Kingdom, Canada, Norway, and Japan accounted for almost 34 percent of the foreign-source taxable income reported in 2006.

⁵ See Explanation of Selected Terms for the definition of each basket.

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Data Sources and Limitations

Internal Revenue Code section 901 specifies the provisions for the foreign tax credit. Corporations report the foreign income and taxes related to the credit on Form 1118, *Computation of Foreign Tax Credit—Corporations*, and attach it to their corporate tax returns. The statistics in this data release are based on information reported on Form 1118 and related corporate tax forms for those corporation income tax returns with a foreign tax credit that were included in the 2006 Statistics of Income sample of returns with accounting periods ending between July 2006 and June 2007. These returns were selected after administrative processing but prior to any amendments or audit examination. The 2006 corporation income tax return sample included Forms 1120, 1120-F, 1120-L, 1120-PC, and 1120-REIT. The statistics in this data release do not include any foreign tax credit data filed specifically for the computation of the alternative minimum tax (AMT), even if the corporation reported both the regular and AMT foreign tax credits.

There are small discrepancies between the more complete foreign tax credit data presented in this data release and those published in *Statistics of Income—2006, Corporation Income Tax Returns*. Some of the differences can be attributed to returns selected for the Statistics of Income sample that were received too late to be included in the corporation income tax statistics. Also, this report incorporates additional data specifically requested for the foreign tax credit statistics from some corporations that submitted preliminary data on their original returns because they lacked complete information on their foreign operations at the time of filing.

Foreign income and taxes available for credit are understated to the extent that they were not reported on the Form 1118 filed with the Form 1120. Because amended returns are not included in this report, these statistics do not contain foreign taxes carried back from subsequent tax years. Likewise, corporations that could not claim a foreign tax credit because they did not have a U.S. tax liability are not included. Finally, some corporations may have deducted their foreign taxes from gross income rather than claim a foreign tax credit.

Because these estimates are based on a sample, they are subject to sampling error. Coefficients of

Figure C

Coefficients of Variation for Foreign Tax Credit, by Selected Sector or Group, Tax Year 2006

Selected sector or group	Coefficients of variation for foreign tax credit (percentages)
All industries	0.02
Agriculture, forestry, fishing, and hunting	1.99
Mining	0.12
Utilities	0.05
Construction	3.44
Manufacturing	0.02
Food manufacturing	0.04
Beverage and tobacco products	0.01
Petroleum and coal products manufacturing	[1]
Chemical manufacturing	0.10
Pharmaceutical and medicine manufacturing	0.01
Other chemical manufacturing	0.17
Primary metal manufacturing	0.24
Machinery manufacturing	0.14
Computer and electronic product manufacturing	0.09
Electrical equipment, appliance, and component manufacturing	0.03
Transportation equipment manufacturing	0.02
Wholesale and retail trade	0.14
Transportation and warehousing	0.18
Information	0.14
Publishing (except internet), motion picture, and sound recording	0.18
Finance, insurance, real estate, and rental and leasing	0.04
Finance and insurance	0.03
Securities, commodity contracts, and others	0.07
Insurance and related activities	[1]
Services	0.09
Management of holding companies	0.08

[1] Less than 0.005 percent.

Variation (CVs) are used to measure the magnitude of this sampling error. The CV concept is defined in the section on sampling variability in the SOI Sampling Methodology and Data Limitations section of this publication. Figure C presents CVs for foreign tax credits by selected North American Industry Classification System (NAICS) divisions and industrial sectors. The smaller the CV, the more reliable the estimate is judged to be.

Description of Tables 1–3

Table 1, columns 2 through 15, presents statistics on assets, receipts, income, and taxes reported on the basic corporation income tax returns for those corporations that claimed a foreign tax credit. Columns 17 through 54 present statistics from Form 1118, *Foreign Tax Credit—Corporations*. Columns 17 through 36 present statistics on foreign income (i.e., income from sources outside the United States, including U.S. possessions) and deductions, reported primarily on Form 1118, Schedule A, *Income or Loss Before Adjustments*.

Although the amounts of oil and gas income and deductions (columns 24 and 36, respectively) are included in the summary columns (i.e., columns 17 through 23 and 27 through 35), these amounts are also reported separately on Form 1118 (*Schedule I, Reduction of Oil and Gas Extraction Taxes*), because they are subject to special rules under Internal Revenue Code section 907, which effectively requires a separate limitation calculation for taxes related to oil and gas extraction income. Foreign branch income (column 25) is also contained in the summary columns but reported separately on Form 1118 (*Schedule F, Gross Income and Definitely Allocable Deductions for Foreign Branches*).

Table 2 includes foreign income, deductions, and taxes paid, accrued, or deemed paid from Form 1118, by major industrial groups and by separate income basket, while Table 3 presents similar statistics, by selected geographic region and country.

Explanation of Selected Terms

Adjustments to taxable income—Foreign-source taxable income is adjusted, when applicable, by the allocation of current-year foreign losses, recharacterization of income due to prior-year loss allocations, adjustments related to overall foreign losses, including recapture of prior overall foreign losses, and allocations of current-year U.S. losses. See Table 1, column 38 and Table 2, column 23.

Carryover of foreign taxes—Corporations with tax years beginning prior to October 22, 2006, were able to carry taxes paid in excess of the limitation back up to 2 years and forward up to 5 years. The American Jobs Creation Act of 2004 extended the

carryover period to 10 years and reduced the carry-back period to 1 year. The 2006 statistics in this data release include only foreign taxes carried forward from prior years.

Controlled foreign corporations (CFCs)—As defined in the Internal Revenue Code section 957(a), any foreign corporation in which U.S. shareholders own directly, indirectly, or constructively more than 50 percent of either the total combined voting power or total value of all stock on any day of the taxable year of the corporation.

Deemed dividends—Certain types of income earned by controlled foreign corporations (CFCs) are recognized under Subpart F of the Internal Revenue Service Code as current-year income of the U.S. corporation, even if no income is actually received from the CFC in the current tax year. In such cases, the U.S. corporation is deemed to have received a pro-rata share of this income and is required to report it as a “deemed dividend” on Form 1118, Schedule A. See Internal Revenue Code section 951(a) for a more detailed description of income reported as deemed dividends.

Dividend gross-up—U.S. corporations that satisfy ownership and other requirements are permitted to take an indirect foreign tax credit for taxes paid on profits from which dividends were distributed. Under Internal Revenue Code section 78, these taxes are “deemed paid” by U.S. corporations under Internal Revenue Code sections 902 and 960(a). Consequently, the dividend income is “grossed-up” by the amount of taxes deemed paid on the income from which the dividend was paid.

Financial services income—This separate limitation income applies to certain income from financial services activities. It includes all income, including “passive income” (see below), that is generated from banking, insurance, financing, or similar activities, and from certain types of insurance investments. Financial services income includes “high withholding tax interest” (see below) and certain types of export financing interest.

Foreign sales corporation (FSC)—A company incorporated abroad and usually controlled by a U.S. person. A portion of the FSC’s “foreign trade income” is exempt from U.S. taxation. Congress repealed FSC provisions in 1999. Transition rules exempting

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transactions that were part of a binding contract with a FSC before September 17, 2003, were repealed in May 2006.

Foreign-source taxable income—Foreign-source taxable income is equal to gross income (less loss) less deductions from sources outside the United States, including U.S. possessions, and is included in the taxable income of U.S. corporations.

General limitation income—This separate limitation category, or basket, comprises foreign income not included in any other separate limitation category.

High withholding tax interest—This separate limitation category includes interest income subject to withholding tax of 5 percent or more, with the exception of interest received from the financing of certain export activities.

Income resourced by bilateral tax treaty—This separate limitation category includes certain U.S.-source income that has been subject to tax in another country pursuant to a bilateral income tax treaty. In order to appropriately relieve double taxation, these items of income are reclassified by a treaty provision as arising from foreign sources. A separate foreign tax credit limitation must be computed for each amount resourced by a tax treaty.

Interest charge domestic international sales corporation (IC-DISC)—A corporation whose “qualified export receipts” constitute at least 95 percent of its gross receipts and which can classify at least 95 percent of its assets as “qualified export assets” can claim IC-DISC status. A small portion of the IC-DISC’s income is deemed distributed to the shareholder. The rest is not subject to U.S. taxation until it is actually distributed, although interest on the tax must be paid annually.

Passive income—This separate limitation category includes dividends, interest, rents, royalties,

annuities, and net capital gains, as well as commodity transactions not connected with the active conduct of a trade or business (except income subject to a high withholding tax—see above). Passive income subject to a foreign tax credit rate that exceeds the highest applicable U.S. tax rate is excluded from this separate limitation category and included in the general limitation category.

Section 901(j) income—This separate limitation category includes income and taxes paid to countries sanctioned by the United States. Internal Revenue Code 901(j) denies credit for taxes paid or accrued to these countries. For 2006, countries subject to these restrictions were Cuba, Iran, North Korea, Sudan, and Syria. Income and deductions from section 901(j) countries are reported on Form 1118, even though these taxes are not creditable. A separate limitation credit is computed for informational purposes and is not included in the foreign tax credit of the corporation.

Shipping income—This separate limitation category applies to certain income from shipping-related activities. It includes the following: (1) all income from the use (or leasing for use) of a vessel or aircraft in foreign commerce, (2) income from services directly related to the use of a vessel or aircraft, (3) gains on the sale or exchange of a vessel or aircraft used in the performance of such services, and (4) income generated from other space and oceanic activities not included elsewhere.

Specifically allocable income—Internal Revenue Code section 863 provides special rules for determining taxable income from sources outside the United States with respect to gross income derived partly from within and partly from outside the United States.

Tax deemed paid—See “dividend gross-up.”

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry

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

Major and selected minor industry of U.S. corporation filing return	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends qualifying for the one time deduction	Dividends received from IC-DISCs or former DISCs [1]	Includable income of controlled foreign corporations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All industries	6,947	32,824,543,225	9,237,306,872	54,045,560	8,671,585	6,191	50,851,827
Agriculture, forestry, fishing, and hunting	220	6,027,396	2,140,156	1,648	0	0	6,328
Mining	130	178,750,725	117,396,351	2,152,744	77,286	0	440,529
Oil and gas extraction, coal mining	81	55,077,904	38,207,792	448,018	0	0	135,735
Metal ore mining	12	52,673,229	26,764,326	1,444,928	0	0	129,973
Nonmetallic minerals	10	9,176,292	7,758,014	17,932	0	0	4,180
Support activities for mining	27	61,823,300	44,666,218	241,865	77,286	0	170,640
Utilities	12	116,210,779	65,423,586	188,533	0	0	12,571
Construction	458	25,086,223	43,473,629	23,790	0	0	25,836
Construction of buildings	191	15,176,673	31,513,466	15,872	0	0	9,055
Heavy and civil engineering construction	82	6,266,193	6,999,159	6,119	0	0	11,315
Special trade contractors	185	3,643,356	4,961,004	1,800	0	0	5,466
Manufacturing	1,462	6,100,786,782	4,031,578,695	33,234,801	6,037,639	6,186	33,474,115
Food manufacturing	51	229,266,302	173,049,743	2,508,135	523,911	40	2,936,501
Beverage and tobacco products	18	107,920,469	80,101,788	1,153,366	187,785	0	255,991
Tobacco manufacturing	*6	*24,788,450	*16,777,037	*28,277	*0	*0	*18,536
Textile mills and textile product mills	*6	*2,332,074	*1,459,665	*3,716	*4,747	*0	*3,453
Apparel manufacturing	13	14,958,487	18,119,516	31,303	0	0	48,284
Leather and allied product manufacturing	*9	*2,787,761	*2,894,054	*30,539	*0	*0	*18,512
Wood product manufacturing	10	2,991,100	5,228,254	1,915	0	0	0
Paper manufacturing	28	97,516,811	63,665,988	803,771	33,297	472	631,604
Printing and related support activities	77	6,053,604	6,243,643	46,392	0	0	15,013
Petroleum and coal products manufacturing	26	1,802,366,968	1,432,411,485	15,155,191	0	0	6,604,194
Chemical manufacturing	203	1,171,964,356	554,300,598	5,415,596	248,442	0	4,776,644
Pharmaceutical and medicine manufacturing	37	639,372,858	259,936,262	1,278,423	107,069	0	2,980,034
Other chemical manufacturing	166	532,591,497	294,364,336	4,137,173	141,374	0	1,796,610
Plastics and rubber products manufacturing	59	14,742,158	15,420,539	322,674	0	0	53,358
Nonmetallic mineral product manufacturing	45	21,637,453	16,859,375	42,734	0	0	21,607
Primary metal manufacturing	49	162,774,795	95,579,865	823,617	9,050	0	537,759
Fabricated metal products	85	210,232,720	71,622,163	460,808	8,952	914	578,380
Machinery manufacturing	315	280,451,836	223,282,523	905,781	610,589	956	1,969,853
Computer and electronic product manufacturing	208	421,170,736	383,929,112	1,401,548	2,141,549	117	5,715,875
Electrical equipment, appliance, and component manufacturing	64	836,222,127	267,761,454	1,096,918	25,823	1,334	6,282,676
Transportation equipment manufacturing	78	562,198,879	504,717,023	1,783,635	808,798	0	1,334,906
Motor vehicles and related manufacturing	46	345,344,297	305,648,966	1,369,818	808,798	0	806,346
Other transportation equipment manufacturing	33	216,854,581	199,068,057	413,817	0	0	528,560
Furniture and related products	24	23,594,686	27,506,820	229,379	0	0	7,800
Miscellaneous manufacturing and manufacturing not allocable	94	129,603,461	87,425,088	1,017,785	1,434,696	2,353	1,681,704
Wholesale and retail trade	843	1,204,405,467	1,470,364,599	5,200,858	143,132	0	2,234,903
Wholesale trade	547	705,261,783	624,058,625	3,490,401	21,746	0	1,413,365
Durable goods	343	107,742,595	178,094,131	147,240	15,069	0	129,974
Machinery, equipment, and supplies	123	13,344,734	17,322,500	11,861	2,651	0	2,832
Other miscellaneous durable goods	219	94,397,861	160,771,631	135,379	12,418	0	127,142
Nondurable goods	205	597,519,188	445,964,494	3,343,160	6,677	0	1,283,390
Drugs, chemicals, and allied products	43	69,210,699	181,257,082	181,560	0	0	147,007
Groceries and related products	11	380,863,338	105,151,679	367,079	0	0	190,596
Petroleum and petroleum products	22	71,899,576	62,597,360	2,151,810	0	0	352,683
Other miscellaneous nondurable goods	128	75,545,575	96,958,373	642,712	6,677	0	593,104

Footnotes at end of table.

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends qualifying for the one time deduction	Dividends received from IC-DISCs or former DISCs [1]	Includable income of controlled foreign corporations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wholesale and retail trade—continued							
Retail trade	296	499,143,684	846,305,975	1,710,457	121,386	0	821,538
Motor vehicle, parts dealers, and gas stations	34	11,412,544	31,143,760	5,581	0	0	16,274
Building materials, garden equipment, and supplies	14	96,004,147	81,197,577	1,923	0	0	5,886
Food and beverages stores	105	20,682,767	57,476,611	43	0	0	2,650
Apparel and accessory stores	56	51,356,494	86,009,244	27,725	121,386	0	306,420
General merchandise stores	*5	*210,967,264	*431,643,854	*903,179	*0	*0	*257,261
Miscellaneous retail trade	82	108,720,469	158,834,929	772,007	0	0	233,048
Transportation and warehousing	141	185,998,721	183,936,932	353,259	0	0	296,847
Air, rail, and water transportation	17	96,297,278	43,818,664	61,440	0	0	255,188
Water transportation	*6	*7,979,374	*6,538,259	*16,483	*0	*0	*22,076
Air and rail transportation	11	88,317,905	37,280,405	44,958	0	0	233,112
Other transportation and warehousing	124	89,701,443	140,118,268	291,819	0	0	41,659
Information	268	1,137,594,669	451,750,086	3,673,851	11,389	0	1,935,621
Publishing (except internet), motion picture, and sound recording	163	281,686,591	143,307,483	563,870	11,389	0	831,036
Broadcasting, internet publishing	41	129,632,580	60,380,437	32,112	0	0	167,939
Telecommunications	30	633,634,730	214,759,598	2,757,689	0	0	324,551
Internet service providers, web search portals, and data processing services	22	77,703,156	24,683,855	267,633	0	0	570,678
Other information services	11	14,937,612	8,618,713	52,547	0	0	41,417
Finance, insurance, real estate, and rental and leasing	1,494	12,023,886,348	1,775,023,431	4,442,929	1,894,000	0	9,089,516
Finance and insurance	741	11,984,326,459	1,750,638,848	4,075,225	1,894,000	0	9,061,057
Commercial banking and other depository credit agencies	27	415,197,634	47,283,181	384,560	0	0	133,830
Commercial banking	*5	*0	*11,684,696	*0	*0	*0	*0
Depository credit agencies other than banks	22	415,197,634	35,598,485	384,560	0	0	133,830
Nondepository credit intermediation	50	278,849,384	54,826,084	231,242	0	0	385,666
Securities, commodity contracts, and other	201	5,272,221,182	372,091,502	1,104,056	1,894,000	0	3,604,892
Insurance and related activities	433	5,974,716,888	1,274,099,661	2,355,165	0	0	4,935,967
Insurance agencies and brokerages	60	55,577,084	16,414,936	422,107	0	0	200,241
Funds, trusts, and other financial vehicles	31	43,341,370	2,338,420	202	0	0	702
Real estate and rental and leasing	753	39,559,889	24,384,583	367,704	0	0	28,459
Real estate	611	7,346,963	2,674,954	10,102	0	0	14,722
Rentals and leasing	143	32,212,926	21,709,629	357,602	0	0	13,737
Services	1,919	11,845,796,114	1,096,219,407	4,773,147	508,140	5	3,335,563
Professional, scientific, and technical services	607	160,149,237	126,698,303	478,383	508,140	0	511,093
Management of holding companies	633	11,427,512,542	772,107,591	3,094,827	0	0	2,218,711
Administrative and support and waste management and remediation	309	40,078,989	49,050,408	373,434	0	0	49,127
Education services, health care, and social assistance	279	48,109,834	32,834,196	284,549	0	5	7,819
Arts, entertainment, and recreation	20	5,491,419	3,710,426	146	0	0	4,127
Accommodation and food services	47	158,829,141	106,303,117	509,730	0	0	507,107
Accommodation	16	86,731,426	33,474,773	52,561	0	0	385,575
Food services and drinking places	31	72,097,715	72,828,344	457,170	0	0	121,533
Other services	23	5,624,952	5,515,365	32,078	0	0	37,579
Repair and maintenance services	17	889,926	1,335,466	5,038	0	0	1,228
Personal services, religious, grantmaking, civic, professional, and similar organizations	*6	*4,735,026	*4,179,899	*27,041	*0	*0	*36,352

Footnotes at end of table.

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign dividend income from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed
				Total [3]	Regular and alternative minimum tax	
	(8)	(9)	(10)	(11)	(12)	(13)
All industries	39,415,267	882,404,815	847,400,555	296,836,560	296,768,848	78,225,098
Agriculture, forestry, fishing, and hunting	482	504,340	457,380	158,556	158,556	7,260
Mining	628,723	30,759,768	27,923,242	9,785,167	9,784,915	4,171,241
Oil and gas extraction, coal mining	181,976	9,337,785	9,186,223	3,226,659	3,226,409	995,423
Metal ore mining	298,411	9,921,919	9,890,700	3,462,383	3,462,383	2,699,316
Nonmetallic minerals	12,651	851,821	848,126	296,760	296,760	14,386
Support activities for mining	135,685	10,648,243	7,998,193	2,799,365	2,799,362	462,115
Utilities	70,501	4,199,223	3,402,192	1,283,656	1,283,656	171,914
Construction	18,878	1,987,796	1,959,137	682,365	681,098	47,297
Construction of buildings	14,327	1,096,722	1,087,455	379,348	378,919	29,118
Heavy and civil engineering construction	1,576	551,500	533,567	186,425	186,095	11,027
Special trade contractors	2,975	339,574	338,116	116,591	116,084	7,152
Manufacturing	27,710,650	384,157,188	369,163,043	129,229,094	129,213,254	50,032,136
Food manufacturing	2,189,991	25,391,793	23,208,735	8,122,467	8,122,069	2,669,451
Beverage and tobacco products	662,950	11,185,159	10,737,335	3,757,864	3,757,864	993,595
Tobacco manufacturing	*14,215	*2,880,258	*2,619,567	*916,761	*916,761	*43,904
Textile mills and textile product mills	*2,923	*119,698	*97,581	*33,967	*33,967	*8,928
Apparel manufacturing	31,335	1,402,451	1,356,645	476,319	476,319	46,959
Leather and allied product manufacturing	*10,160	*262,834	*262,790	*91,847	*91,847	*24,445
Wood product manufacturing	852	395,236	393,043	137,439	137,439	1,225
Paper manufacturing	678,245	8,918,683	8,744,124	3,059,859	3,059,833	886,423
Printing and related support activities	18,198	545,472	523,521	182,544	182,544	23,725
Petroleum and coal products manufacturing	12,503,716	127,464,764	126,678,163	44,336,830	44,336,752	26,594,375
Chemical manufacturing	3,952,374	72,469,922	69,935,442	24,475,079	24,474,870	5,588,572
Pharmaceutical and medicine manufacturing	1,618,380	45,491,471	43,993,674	15,397,328	15,397,238	2,327,447
Other chemical manufacturing	2,333,993	26,978,451	25,941,768	9,077,751	9,077,632	3,261,125
Plastics and rubber products manufacturing	175,224	1,437,476	1,425,131	500,975	500,975	193,775
Nonmetallic mineral product manufacturing	23,044	1,903,765	1,818,919	632,103	635,723	81,247
Primary metal manufacturing	475,753	9,814,505	8,538,980	2,990,529	2,990,108	1,157,634
Fabricated metal products	312,937	6,354,244	6,137,760	2,146,323	2,146,092	549,085
Machinery manufacturing	1,066,436	21,559,642	20,301,964	7,100,912	7,100,421	1,636,042
Computer and electronic product manufacturing	1,236,273	44,492,185	39,472,343	13,820,079	13,815,327	3,975,306
Electrical equipment, appliance, and component manufacturing	1,534,486	12,317,895	11,521,470	4,034,745	4,033,696	2,433,096
Transportation equipment manufacturing	1,180,619	19,683,544	21,831,996	7,669,016	7,657,231	1,357,807
Motor vehicles and related manufacturing	618,255	5,795,688	8,174,548	2,866,654	2,866,654	539,515
Other transportation equipment manufacturing	562,364	13,887,856	13,657,448	4,802,362	4,790,577	818,293
Furniture and related products	135,426	2,052,563	1,999,139	699,422	699,422	135,643
Miscellaneous manufacturing and manufacturing not allocable	1,519,707	16,385,357	14,177,964	4,960,774	4,960,754	1,674,802
Wholesale and retail trade	3,214,515	95,604,352	93,082,046	32,157,317	32,156,648	4,142,967
Wholesale trade	1,885,125	41,741,291	40,712,359	13,830,901	13,830,286	2,591,487
Durable goods	96,456	7,623,092	6,903,287	2,414,912	2,414,581	164,356
Machinery, equipment, and supplies	5,267	1,229,313	1,173,716	408,992	408,992	13,565
Other miscellaneous durable goods	91,190	6,393,779	5,729,571	2,005,920	2,005,589	150,791
Nondurable goods	1,788,669	34,118,199	33,809,071	11,415,989	11,415,705	2,427,131
Drugs, chemicals, and allied products	123,670	4,829,439	4,776,850	1,671,048	1,671,048	240,474
Groceries and related products	94,570	14,655,160	13,344,176	4,670,359	4,670,268	168,297
Petroleum and petroleum products	1,148,614	6,885,687	6,838,181	2,393,303	2,393,303	1,468,985
Other miscellaneous nondurable goods	421,814	7,747,913	8,849,864	2,681,278	2,681,086	549,375

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign dividend income from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed
				Total [3]	Regular and alternative minimum tax	
	(8)	(9)	(10)	(11)	(12)	(13)
Wholesale and retail trade—continued						
Retail trade	1,329,390	53,863,061	52,369,687	18,326,416	18,326,362	1,551,480
Motor vehicle, parts dealers, and gas stations	9,425	836,775	833,209	291,138	291,138	22,889
Building materials, garden equipment, and supplies	3,977	8,321,520	8,203,957	2,871,124	2,871,124	63,822
Food and beverages stores	826	2,489,373	2,472,367	864,090	864,090	6,135
Apparel and accessory stores	46,127	7,489,291	7,338,881	2,568,099	2,568,099	145,697
General merchandise stores	*886,368	*23,163,470	*23,018,662	*8,056,586	*8,056,532	*859,380
Miscellaneous retail trade	382,666	11,562,631	10,502,610	3,675,379	3,675,379	453,558
Transportation and warehousing	264,072	15,337,205	15,020,033	5,254,726	5,254,635	473,910
Air, rail, and water transportation	119,826	4,679,288	4,429,538	1,550,266	1,550,175	182,707
Water transportation	*3,921	*613,476	*434,375	*152,070	*151,980	*33,217
Air and rail transportation	115,905	4,065,812	3,995,162	1,398,195	1,398,195	149,490
Other transportation and warehousing	144,246	10,657,917	10,590,495	3,704,460	3,704,460	291,202
Information	1,366,504	65,476,013	62,222,851	21,782,078	21,781,869	3,378,280
Publishing (except internet), motion picture, and sound recording	507,612	30,018,073	28,026,534	9,822,012	9,821,251	1,944,453
Broadcasting, internet publishing	46,922	6,866,129	6,823,802	2,388,786	2,388,072	212,441
Telecommunications	631,542	24,020,482	22,938,530	8,026,289	8,027,556	888,803
Internet service providers, web search portals, and data processing services	147,181	3,390,921	3,369,154	1,172,419	1,172,419	293,220
Other information services	33,247	1,180,407	1,064,831	372,571	372,571	39,363
Finance, insurance, real estate, and rental and leasing	3,473,469	157,484,039	151,102,487	53,419,262	53,385,924	8,375,789
Finance and insurance	3,440,919	154,770,274	149,050,071	52,636,035	52,610,691	8,291,632
Commercial banking and other depository credit agencies	6	6,445,754	6,323,491	2,215,197	2,214,958	194,631
Commercial banking	*0	*367,455	*361,477	*126,756	*126,517	*22,268
Depository credit agencies other than banks	6	6,078,298	5,962,013	2,088,441	2,088,441	172,363
Nondepository credit intermediation	150,668	6,922,756	6,842,599	2,394,417	2,394,417	237,733
Securities, commodity contracts, and other	1,753,918	43,127,220	39,864,123	13,953,741	13,953,502	3,534,780
Insurance and related activities	1,536,175	96,748,379	94,496,968	33,539,999	33,515,133	3,936,828
Insurance agencies and brokerages	247,620	2,019,044	2,025,709	708,774	708,474	364,950
Funds, trusts, and other financial vehicles	152	1,526,165	1,522,890	532,681	532,681	387,660
Real estate and rental and leasing	32,550	2,713,765	2,052,416	783,227	775,233	84,157
Real estate	6,761	759,479	654,539	224,740	224,261	11,204
Rentals and leasing	25,789	1,954,286	1,397,877	558,487	550,972	72,953
Services	2,667,473	126,894,893	123,068,145	43,084,340	43,068,292	7,424,305
Professional, scientific, and technical services	368,703	10,812,237	9,326,749	3,260,062	3,259,915	598,489
Management of holding companies	1,662,008	97,282,702	95,382,584	33,389,838	33,378,890	5,660,155
Administrative and support and waste management and remediation	162,732	4,771,705	4,644,266	1,623,304	1,623,303	226,519
Education services, health care, and social assistance	98,469	3,747,231	3,609,651	1,262,821	1,262,821	104,217
Arts, entertainment, and recreation	910	412,780	369,934	129,105	129,105	14,154
Accommodation and food services	337,001	9,335,684	9,222,912	3,240,410	3,235,457	780,042
Accommodation	18,345	2,140,574	2,129,571	757,823	753,353	121,842
Food services and drinking places	318,656	7,195,111	7,093,341	2,482,587	2,482,104	658,201
Other services	37,650	532,554	512,050	178,800	178,800	40,728
Repair and maintenance services	3,954	77,270	76,391	26,410	26,410	3,615
Personal services, religious, grantmaking, civic, professional, and similar organizations	*33,696	*455,284	*435,659	*152,391	*152,391	*37,113

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	U.S. possessions tax credit	General business credit	U.S. income tax after credits [4]	Foreign income and taxes reported on Form 1118		
				Gross income (less loss)		
				Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)
	(14)	(15)	(16)	(17)	(18)	(19)
All industries	140,125	9,922,953	205,171,993	667,110,481	111,601,806	39,542,156
Agriculture, forestry, fishing, and hunting	0	3,260	147,788	124,172	8,014	482
Mining	0	31,086	5,233,991	22,760,436	2,642,707	622,696
Oil and gas extraction, coal mining	0	2,683	2,180,435	5,837,585	559,045	175,487
Metal ore mining	0	12,687	478,861	11,640,830	1,574,931	298,402
Nonmetallic minerals	0	1,238	278,266	94,379	22,113	12,606
Support activities for mining	0	14,478	2,296,428	5,187,641	486,618	136,202
Utilities	0	86,105	948,472	910,749	201,164	70,501
Construction	0	44,810	585,003	786,636	48,779	18,878
Construction of buildings	0	43,813	306,169	401,048	24,928	14,327
Heavy and civil engineering construction	0	726	169,679	316,363	16,466	1,576
Special trade contractors	0	271	109,154	69,225	7,385	2,975
Manufacturing	140,125	4,159,060	73,657,035	319,771,859	71,384,139	27,926,092
Food manufacturing	0	76,206	5,369,445	14,403,453	5,917,720	2,278,471
Beverage and tobacco products	0	11,088	2,752,720	8,924,716	1,595,403	662,950
Tobacco manufacturing	*0	*858	*871,999	*894,033	*46,812	*14,215
Textile mills and textile product mills	*0	*937	*23,602	*67,890	*11,882	*6,473
Apparel manufacturing	0	981	428,380	355,155	79,584	31,335
Leather and allied product manufacturing	*0	*1,711	*65,690	*283,357	*49,051	*10,160
Wood product manufacturing	0	3,512	132,702	20,109	1,907	852
Paper manufacturing	0	156,655	2,013,976	4,950,125	1,468,584	678,245
Printing and related support activities	0	2,629	156,141	217,990	61,874	18,197
Petroleum and coal products manufacturing	0	461,886	17,230,198	95,865,957	21,737,938	12,503,640
Chemical manufacturing	127,799	970,083	17,664,661	50,786,343	10,132,381	3,980,120
Pharmaceutical and medicine manufacturing	127,799	726,165	12,196,234	29,618,611	4,166,359	1,618,196
Other chemical manufacturing	0	243,919	5,468,427	21,167,732	5,966,022	2,361,924
Plastics and rubber products manufacturing	0	6,163	299,382	828,209	376,025	175,224
Nonmetallic mineral product manufacturing	0	4,523	525,756	500,732	64,330	23,044
Primary metal manufacturing	0	48,241	1,696,087	6,554,763	1,363,491	471,786
Fabricated metal products	0	61,597	1,534,285	3,717,818	1,047,618	315,474
Machinery manufacturing	0	271,591	5,102,048	16,152,073	3,423,328	1,086,552
Computer and electronic product manufacturing	0	1,179,396	8,028,439	61,398,203	9,043,887	1,313,694
Electrical equipment, appliance, and component manufacturing	0	417,778	1,050,498	21,651,163	7,130,002	1,534,486
Transportation equipment manufacturing	0	300,379	5,937,893	19,395,998	3,848,331	1,180,357
Motor vehicles and related manufacturing	0	58,333	2,264,297	13,713,914	2,959,669	618,014
Other transportation equipment manufacturing	0	242,046	3,673,596	5,682,085	888,662	562,343
Furniture and related products	0	12,893	550,799	717,686	237,176	135,426
Miscellaneous manufacturing and manufacturing not allocable	12,326	170,811	3,094,332	12,980,117	3,793,627	1,519,605
Wholesale and retail trade	0	448,242	27,465,345	26,493,302	7,529,812	3,201,671
Wholesale trade	0	186,222	10,975,014	17,626,522	4,901,355	1,884,225
Durable goods	0	34,901	2,190,745	2,430,224	283,054	95,709
Machinery, equipment, and supplies	0	5,822	382,686	400,224	18,215	5,267
Other miscellaneous durable goods	0	29,079	1,808,059	2,030,000	264,839	90,443
Nondurable goods	0	151,321	8,784,268	15,196,299	4,618,301	1,788,516
Drugs, chemicals, and allied products	0	36,896	1,387,716	4,053,047	328,258	123,670
Groceries and related products	0	69,817	4,432,246	2,646,673	548,405	94,570
Petroleum and petroleum products	0	3,350	880,296	4,460,837	2,504,493	1,148,614
Other miscellaneous nondurable goods	0	41,259	2,084,010	4,035,742	1,237,146	421,661

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	U.S. possessions tax credit	General business credit	U.S. income tax after credits [4]	Foreign income and taxes reported on Form 1118		
				Gross income (less loss)		
				Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)
	(14)	(15)	(16)	(17)	(18)	(19)
Wholesale and retail trade—continued						
Retail trade	0	262,020	16,490,331	8,866,780	2,628,456	1,317,446
Motor vehicle, parts dealers, and gas stations	0	5,201	263,049	114,563	21,948	9,425
Building materials, garden equipment, and supplies	0	11,857	2,795,445	254,699	7,828	3,977
Food and beverages stores	0	6,986	850,968	74,475	2,726	826
Apparel and accessory stores	0	32,234	2,374,575	1,429,541	454,687	45,968
General merchandise stores	*0	*119,219	*7,077,838	*3,704,714	*1,160,440	*886,368
Miscellaneous retail trade	0	86,523	3,128,456	3,288,787	980,828	370,882
Transportation and warehousing	0	80,731	4,607,341	17,270,167	650,101	264,072
Air, rail, and water transportation	0	14,271	1,262,071	2,058,775	316,623	119,826
Water transportation	*0	*762	*114,785	*1,408,384	*38,558	*3,921
Air and rail transportation	0	13,508	1,147,287	650,391	278,065	115,905
Other transportation and warehousing	0	66,460	3,345,270	15,211,392	333,478	144,246
Information	0	528,291	17,856,790	45,977,285	5,485,209	1,363,651
Publishing (except internet), motion picture, and sound recording	0	232,274	7,642,497	29,115,946	1,316,541	504,690
Broadcasting, internet publishing	0	4,794	2,170,995	5,234,654	177,919	46,921
Telecommunications	0	201,734	6,930,500	8,337,497	3,060,702	631,611
Internet service providers, web search portals, and data processing services	0	66,384	812,425	2,715,001	838,311	147,181
Other information services	0	23,105	300,373	574,186	91,736	33,247
Finance, insurance, real estate, and rental and leasing	0	1,526,503	42,357,746	119,622,448	15,338,566	3,410,135
Finance and insurance	0	1,516,920	41,672,310	118,354,891	14,945,934	3,377,585
Commercial banking and other depository credit agencies	0	103,801	1,912,612	1,658,291	518,181	6
Commercial banking	*0	*13,063	*88,802	*546,654	*0	*0
Depository credit agencies other than banks	0	90,738	1,823,809	1,111,636	518,181	6
Nondepository credit intermediation	0	58,383	2,090,588	9,191,139	601,680	150,668
Securities, commodity contracts, and other	0	528,035	9,758,873	57,037,324	6,359,336	1,714,435
Insurance and related activities	0	798,662	27,793,254	48,600,398	7,465,833	1,512,324
Insurance agencies and brokerages	0	14,396	329,428	2,236,361	622,924	247,671
Funds, trusts, and other financial vehicles	0	28,038	116,983	1,867,739	904	152
Real estate and rental and leasing	0	9,583	685,436	1,267,557	392,631	32,550
Real estate	0	146	210,685	140,468	23,607	6,761
Rentals and leasing	0	9,438	474,752	1,127,090	369,024	25,789
Services	0	3,014,864	32,312,482	113,393,428	8,313,315	2,663,978
Professional, scientific, and technical services	0	160,717	2,473,796	12,463,122	1,456,988	367,252
Management of holding companies	0	2,554,206	24,965,786	88,613,121	5,097,401	1,659,977
Administrative and support and waste management and remediation	0	54,013	1,262,877	2,970,042	419,758	162,732
Education services, health care, and social assistance	0	10,552	1,146,351	499,629	292,281	98,469
Arts, entertainment, and recreation	0	3,911	111,040	439,859	2,242	910
Accommodation and food services	0	226,082	2,219,943	8,034,685	974,987	336,989
Accommodation	0	74,914	547,894	2,892,594	408,069	18,342
Food services and drinking places	0	151,167	1,672,049	5,142,091	566,918	318,647
Other services	0	5,383	132,689	372,971	69,658	37,650
Repair and maintenance services	0	136	22,659	30,216	6,265	3,954
Personal services, religious, grantmaking, civic, professional, and similar organizations	*0	*5,247	*110,031	*342,754	*63,393	*33,696

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued						Deductions
	Gross income (less loss)—continued						
	Interest	Rents, royalties, and license fees	Service income	Other income	Oil and gas extraction income [5]	Foreign branch income [5]	
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All industries	114,774,299	98,708,506	36,404,092	266,079,622	72,232,676	145,989,673	331,564,999
Agriculture, forestry, fishing, and hunting	2,515	8,559	7,372	97,230	0	8,325	76,002
Mining	716,187	624,710	1,877,827	16,276,308	5,002,984	5,097,765	8,548,233
Oil and gas extraction, coal mining	52,068	11,479	129,334	4,910,173	5,002,984	845,049	2,677,036
Metal ore mining	333,751	34,200	136,060	9,263,487	0	820,201	3,092,815
Nonmetallic minerals	3,402	4,421	19,538	32,300	0	18,207	42,438
Support activities for mining	326,965	574,611	1,592,896	2,070,349	0	3,414,307	2,735,943
Utilities	11,496	0	0	627,587	584,530	610,463	354,790
Construction	5,711	136,418	428,124	148,725	0	191,089	447,951
Construction of buildings	30	129,571	182,292	49,901	0	14,423	200,074
Heavy and civil engineering construction	5,545	6,244	203,963	82,569	0	159,574	203,007
Special trade contractors	136	603	41,870	16,256	0	17,093	44,870
Manufacturing	12,497,344	58,895,967	5,677,352	143,390,965	62,969,025	38,102,173	118,037,681
Food manufacturing	193,035	898,958	32,000	5,083,269	0	2,115,877	4,778,628
Beverage and tobacco products	257,004	1,875,586	7,475	4,526,297	0	2,052,564	4,553,583
Tobacco manufacturing	*6,201	*118,571	*0	*708,234	*0	*339,464	*493,789
Textile mills and textile product mills	*973	*22,015	*0	*26,547	*0	*2,669	*31,936
Apparel manufacturing	30,748	161,890	1,564	50,034	0	25,470	116,631
Leather and allied product manufacturing	*2,183	*120,036	*75,015	*26,912	*0	*75,073	*107,363
Wood product manufacturing	191	467	378	16,315	0	0	12,191
Paper manufacturing	213,415	805,478	554	1,783,849	0	302,557	1,382,446
Printing and related support activities	7,319	12,013	3,433	115,154	0	35,025	53,313
Petroleum and coal products manufacturing	3,679,967	394,783	1,950	57,547,680	62,969,025	14,348,326	17,228,340
Chemical manufacturing	1,112,819	16,610,782	775,695	18,174,546	0	5,283,851	20,828,900
Pharmaceutical and medicine manufacturing	738,838	11,396,214	521,290	11,177,715	0	2,088,717	12,342,339
Other chemical manufacturing	373,982	5,214,568	254,405	6,996,831	0	3,195,134	8,486,561
Plastics and rubber products manufacturing	24,260	113,057	2,388	137,254	0	32,807	253,009
Nonmetallic mineral product manufacturing	70,537	32,811	68,210	241,799	0	201,614	230,265
Primary metal manufacturing	918,874	2,278,265	54,749	1,467,598	0	2,812,973	2,877,486
Fabricated metal products	144,902	486,080	93,257	1,630,487	0	749,343	1,864,479
Machinery manufacturing	800,920	1,960,165	262,216	8,618,892	0	2,202,554	8,619,762
Computer and electronic product manufacturing	640,963	23,915,857	3,638,690	22,845,112	0	5,064,131	27,174,050
Electrical equipment, appliance, and component manufacturing	2,327,138	1,492,345	37,959	9,129,234	0	187,961	12,361,416
Transportation equipment manufacturing	1,752,091	4,879,402	523,004	7,212,814	0	1,460,389	9,539,281
Motor vehicles and related manufacturing	1,422,842	3,793,387	22,745	4,897,256	0	1,104,151	7,101,645
Other transportation equipment manufacturing	329,249	1,086,014	500,259	2,315,558	0	356,239	2,437,637
Furniture and related products	25,658	14,235	18,254	286,937	0	83,159	298,537
Miscellaneous manufacturing and manufacturing not allocable	294,347	2,821,741	80,562	4,470,235	0	1,065,831	5,726,063
Wholesale and retail trade	1,260,173	4,024,634	619,192	9,857,821	3,532,064	3,915,871	9,941,343
Wholesale trade	1,085,310	1,987,106	584,579	7,183,948	3,532,064	2,651,740	6,773,528
Durable goods	124,280	216,133	115,612	1,595,436	0	700,850	1,417,193
Machinery, equipment, and supplies	3,784	5,124	49,354	318,480	0	157,636	204,203
Other miscellaneous durable goods	120,495	211,009	66,258	1,276,956	0	543,214	1,212,989
Nondurable goods	961,031	1,770,973	468,967	5,588,512	3,532,064	1,950,890	5,356,335
Drugs, chemicals, and allied products	258,916	1,282,325	231,408	1,828,470	0	1,074,419	2,597,542
Groceries and related products	243,952	67,092	193,893	1,498,761	0	244,471	671,132
Petroleum and petroleum products	71,284	3,808	1,101	731,537	3,532,064	6,116	254,810
Other miscellaneous nondurable goods	386,878	417,747	42,565	1,529,745	0	625,885	1,832,851

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued						Deductions
	Gross income (less loss)—continued						
	Interest	Rents, royalties, and license fees	Service income	Other income	Oil and gas extraction income [5]	Foreign branch income [5]	
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Wholesale and retail trade—continued							
Retail trade	174,862	2,037,528	34,613	2,673,873	0	1,264,130	3,167,815
Motor vehicle, parts dealers, and gas stations	27,714	3,632	5,602	46,242	0	39,718	12,796
Building materials, garden equipment, and supplies	40,417	181,778	0	20,700	0	10,457	44,708
Food and beverages stores	3,426	66,751	0	746	0	0	8,794
Apparel and accessory stores	31,479	365,848	2,958	528,601	0	332,301	575,397
General merchandise stores	*2,402	*861,716	*0	*793,788	*0	*391,974	*1,149,061
Miscellaneous retail trade	69,424	557,804	26,053	1,283,797	0	489,681	1,377,059
Transportation and warehousing	203,916	326,217	8,963,230	6,862,631	5,556	12,632,323	14,317,195
Air, rail, and water transportation	34,625	82,240	350,332	1,155,129	0	219,459	1,407,824
Water transportation	*9,694	*316	*306,008	*1,049,887	*0	*184,641	*1,250,149
Air and rail transportation	24,932	81,924	44,324	105,242	0	34,818	157,676
Other transportation and warehousing	169,290	243,977	8,612,898	5,707,502	5,556	12,412,864	12,909,371
Information	845,583	25,507,097	3,421,639	9,354,106	0	5,761,276	22,662,327
Publishing (except internet), motion picture, and sound recording	479,529	19,765,106	287,443	6,762,638	0	4,877,109	14,078,599
Broadcasting, internet publishing	194,189	5,002,263	70,214	-256,853	0	68,868	3,620,300
Telecommunications	143,059	210,442	2,990,784	1,300,899	0	249,828	2,806,861
Internet service providers, web search portals, and data processing services	15,477	284,192	66,958	1,362,881	0	283,134	1,784,589
Other information services	13,329	245,095	6,239	184,540	0	282,337	371,978
Finance, insurance, real estate, and rental and leasing	50,798,656	2,470,618	4,802,087	42,802,386	0	20,862,877	75,070,661
Finance and insurance	50,784,146	1,873,322	4,781,828	42,592,075	0	20,725,947	74,611,995
Commercial banking and other depository credit agencies	1,138,471	0	946	686	0	48,115	647,235
Commercial banking	*546,654	*0	*0	*0	*0	*0	*449,316
Depository credit agencies other than banks	591,816	0	946	686	0	48,115	197,919
Nondepository credit intermediation	1,394,078	567,960	602,750	5,874,003	0	1,950,398	7,927,242
Securities, commodity contracts, and other	33,452,755	275,967	1,540,599	13,694,232	0	4,254,838	40,558,255
Insurance and related activities	13,138,518	1,028,858	2,622,881	22,831,983	0	14,444,684	24,991,202
Insurance agencies and brokerages	254,031	9,604	283,919	818,212	0	715,453	1,092,052
Funds, trusts, and other financial vehicles	1,660,323	537	14,653	191,171	0	27,913	488,061
Real estate and rental and leasing	14,511	597,296	20,258	210,311	0	136,930	458,666
Real estate	12,871	3,696	15,499	78,034	0	11,708	76,779
Rentals and leasing	1,640	593,601	4,760	132,276	0	125,222	381,886
Services	48,432,719	6,714,285	10,607,269	36,661,864	138,516	58,807,510	82,108,817
Professional, scientific, and technical services	136,412	1,345,650	7,373,222	1,783,598	228	3,915,703	9,495,727
Management of holding companies	47,642,920	2,405,330	2,164,924	29,642,570	138,288	51,155,763	64,459,973
Administrative and support and waste management and remediation	152,165	625,932	620,499	988,957	0	651,663	1,993,041
Education services, health care, and social assistance	10,882	42,793	48,982	6,221	0	33,316	94,407
Arts, entertainment, and recreation	6,432	234,550	141,676	54,048	0	53,908	359,851
Accommodation and food services	476,229	1,980,115	222,819	4,043,546	0	2,847,091	5,503,470
Accommodation	195,428	443,513	166,892	1,660,349	0	483,484	2,358,920
Food services and drinking places	280,801	1,536,602	55,927	2,383,197	0	2,363,607	3,144,550
Other services	7,679	79,915	35,147	142,923	0	150,065	202,347
Repair and maintenance services	0	4,721	14,818	458	0	0	9,398
Personal services, religious, grantmaking, civic, professional, and similar organizations	*7,679	*75,194	*20,329	*142,465	*0	*150,065	*192,948

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued						
	Deductions—continued						
	Definitely allocable deductions					Deductions not allocable to specific types of income	
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [6]	Research and development
	(27)	(28)	(29)	(30)	(31)	(32)	(33)
All industries	150,471,450	1,669,432	4,959,174	23,275,164	120,567,679	181,093,550	18,663,370
Agriculture, forestry, fishing, and hunting	48,316	518	42	4,113	43,644	27,686	2,669
Mining	7,365,821	106,667	103,204	959,117	6,196,833	1,182,413	69,442
Oil and gas extraction, coal mining	2,505,958	31,918	377	50,079	2,423,584	171,079	1,088
Metal ore mining	2,434,897	2,015	91,200	772	2,340,910	657,918	42,576
Nonmetallic minerals	30,702	0	0	12,956	17,746	11,737	1,032
Support activities for mining	2,394,264	72,735	11,627	895,310	1,414,592	341,680	24,746
Utilities	175,696	1,433	14	0	174,249	179,094	24
Construction	408,107	171	3,527	283,384	121,025	39,844	0
Construction of buildings	191,182	57	0	188,831	2,293	8,892	0
Heavy and civil engineering construction	172,452	114	3,527	60,285	108,527	30,555	0
Special trade contractors	44,473	0	0	34,268	10,205	397	0
Manufacturing	56,024,127	666,945	362,501	1,915,898	53,078,783	62,013,554	15,949,384
Food manufacturing	3,406,455	0	3,088	0	3,403,366	1,372,173	133,882
Beverage and tobacco products	3,804,344	666	0	2,173	3,801,505	749,239	4,778
Tobacco manufacturing	*431,507	*666	*0	*0	*430,840	*62,283	*1,813
Textile mills and textile product mills	*9,372	*0	*0	*0	*9,372	*22,565	*779
Apparel manufacturing	65,344	2,756	17,512	1,517	43,558	51,287	110
Leather and allied product manufacturing	*73,897	*0	*0	*73,897	*0	*33,467	*3,272
Wood product manufacturing	10,450	0	0	0	10,450	1,741	205
Paper manufacturing	377,167	0	14	2	377,151	1,005,279	335,872
Printing and related support activities	33,234	3,430	303	4,204	25,297	20,079	2,277
Petroleum and coal products manufacturing	12,622,429	0	6	306	12,622,117	4,605,911	170,495
Chemical manufacturing	8,184,078	40,027	54,437	28,777	8,060,837	12,644,822	4,818,575
Pharmaceutical and medicine manufacturing	5,201,314	3,192	18,226	818	5,179,078	7,141,025	3,673,624
Other chemical manufacturing	2,982,765	36,836	36,211	27,959	2,881,759	5,503,797	1,144,951
Plastics and rubber products manufacturing	190,653	1,710	35,719	158	153,066	62,356	4,921
Nonmetallic mineral product manufacturing	120,265	106	3,764	5,164	111,230	110,000	10,343
Primary metal manufacturing	1,355,200	458,854	1,508	0	894,839	1,522,286	73,491
Fabricated metal products	811,968	128,678	2,891	53,311	627,087	1,052,512	83,430
Machinery manufacturing	3,483,217	9,258	22,002	163,438	3,288,520	5,136,545	978,849
Computer and electronic product manufacturing	10,543,329	91	133,687	1,541,947	8,867,604	16,630,720	6,943,253
Electrical equipment, appliance, and component manufacturing	3,403,262	1,557	6,391	3,304	3,392,010	8,958,154	375,868
Transportation equipment manufacturing	4,302,292	13,683	23,211	14,758	4,250,641	5,236,989	1,460,861
Motor vehicles and related manufacturing	3,600,347	13,683	8,671	4,000	3,573,993	3,501,298	1,093,014
Other transportation equipment manufacturing	701,945	0	14,540	10,758	676,647	1,735,691	367,848
Furniture and related products	149,881	5	0	8,771	141,105	148,656	4,970
Miscellaneous manufacturing and manufacturing not allocable	3,077,289	6,123	57,967	14,171	2,999,027	2,648,774	543,152
Wholesale and retail trade	6,521,086	25,719	179,284	325,538	5,990,545	3,420,257	158,519
Wholesale trade	4,195,478	22,506	93,296	313,912	3,765,763	2,578,050	148,580
Durable goods	1,053,472	2,975	6,790	71,356	972,351	363,720	13,833
Machinery, equipment, and supplies	146,067	119	52	39,502	106,394	58,136	5,993
Other miscellaneous durable goods	907,405	2,855	6,738	31,854	865,957	305,584	7,840
Nondurable goods	3,142,006	19,532	86,506	242,556	2,793,412	2,214,329	134,747
Drugs, chemicals, and allied products	1,713,632	0	31	182,019	1,531,582	883,910	97,873
Groceries and related products	452,876	18,205	66,553	24,558	343,560	218,256	1,816
Petroleum and petroleum products	101,108	0	0	0	101,108	153,702	969
Other miscellaneous nondurable goods	874,390	1,327	19,922	35,978	817,162	958,461	34,089

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued						
	Deductions—continued						
	Definitely allocable deductions					Deductions not allocable to specific types of income	
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [6]	Research and development
(27)	(28)	(29)	(30)	(31)	(32)	(33)	
Wholesale and retail trade—continued							
Retail trade	2,325,607	3,213	85,987	11,626	2,224,782	842,208	9,939
Motor vehicle, parts dealers, and gas stations	11,253	911	5,254	0	5,088	1,542	0
Building materials, garden equipment, and supplies	9,331	0	0	0	9,331	35,378	0
Food and beverages stores	3,218	0	3,042	0	176	5,576	0
Apparel and accessory stores	479,368	1,279	44,765	567	432,756	96,029	1,628
General merchandise stores	*803,504	*920	*1,388	*0	*801,196	*345,557	*0
Miscellaneous retail trade	1,018,934	102	31,538	11,059	976,235	358,125	8,311
Transportation and warehousing	13,919,780	22,213	38,739	7,520,966	6,337,862	397,415	28,382
Air, rail, and water transportation	1,279,457	19,737	25,226	165,631	1,068,863	128,367	990
Water transportation	*1,189,347	*0	*0	*150,525	*1,038,822	*60,801	*0
Air and rail transportation	90,110	19,737	25,226	15,106	30,041	67,566	990
Other transportation and warehousing	12,640,323	2,476	13,513	7,355,335	5,268,999	269,048	27,391
Information	12,693,737	60,348	2,931,450	2,408,797	7,293,143	9,968,590	1,846,677
Publishing (except internet), motion picture, and sound recording	5,250,004	15,835	192,890	58,362	4,982,917	8,828,594	1,618,932
Broadcasting, internet publishing	3,267,033	43,987	2,717,067	29,433	476,546	353,267	0
Telecommunications	2,412,251	0	21,179	2,304,669	86,404	394,610	80,231
Internet service providers, web search portals, and data processing services	1,528,249	526	314	12,488	1,514,922	256,339	145,386
Other information services	236,199	0	0	3,844	232,355	135,779	2,128
Finance, insurance, real estate, and rental and leasing	23,733,899	62,768	157,805	2,980,605	20,532,722	51,336,762	26,196
Finance and insurance	23,532,145	28,453	120,356	2,965,050	20,418,286	51,079,850	26,196
Commercial banking and other depository credit agencies	72,856	0	0	4,122	68,734	574,379	0
Commercial banking	*100	*0	*0	*0	*100	*449,216	*0
Depository credit agencies other than banks	72,756	0	0	4,122	68,634	125,163	0
Nondepository credit intermediation	5,458,863	952	426	455,642	5,001,844	2,468,379	5,117
Securities, commodity contracts, and other	8,184,207	311	5,081	710,943	7,467,872	32,374,047	19,352
Insurance and related activities	9,802,506	27,190	113,780	1,794,343	7,867,193	15,188,696	1,726
Insurance agencies and brokerages	865,444	0	610	244,134	620,700	226,608	0
Funds, trusts, and other financial vehicles	13,713	0	1,070	0	12,643	474,348	0
Real estate and rental and leasing	201,754	34,315	37,449	15,555	114,436	256,912	0
Real estate	71,754	316	3,308	15,308	52,821	5,026	0
Rentals and leasing	130,000	33,998	34,141	247	61,614	251,886	0
Services	29,580,881	722,651	1,182,609	6,876,747	20,798,874	52,527,936	582,077
Professional, scientific, and technical services	7,831,024	7,551	307,866	5,498,441	2,017,167	1,664,702	324,632
Management of holding companies	16,571,455	705,008	407,992	720,100	14,738,355	47,888,518	205,685
Administrative and support and waste management and remediation	1,111,969	8,070	271,605	504,202	328,093	881,072	47,949
Education services, health care, and social assistance	54,503	46	9,717	16,125	28,615	39,904	[2]
Arts, entertainment, and recreation	319,177	0	153,132	94,369	71,675	40,675	0
Accommodation and food services	3,534,520	1,585	29,791	24,476	3,478,668	1,968,950	3,811
Accommodation	1,083,516	[2]	0	15,518	1,067,998	1,275,404	0
Food services and drinking places	2,451,004	1,585	29,791	8,958	2,410,670	693,546	3,811
Other services	158,232	390	2,506	19,034	136,302	44,114	0
Repair and maintenance services	389	0	0	0	389	9,010	0
Personal services, religious, grantmaking, civic, professional, and similar organizations	*157,843	*390	*2,506	*19,034	*135,913	*35,105	*0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued						
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments	Foreign taxes available for credit
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [7]				Total
	Interest	Other					
(34)	(35)	(36)	(37)	(38)	(39)	(40)	
All industries	103,223,727	57,378,308	11,477,820	335,545,482	26,946,485	308,598,997	107,984,124
Agriculture, forestry, fishing, and hunting	23,380	1,636	0	48,170	[2]	48,170	14,953
Mining	358,876	735,650	2,472,492	14,212,202	948,586	13,263,616	5,582,985
Oil and gas extraction, coal mining	82,698	87,980	2,472,492	3,160,549	98,533	3,062,016	1,060,421
Metal ore mining	97,737	517,605	0	8,548,015	44,838	8,503,177	3,688,529
Nonmetallic minerals	9,371	1,333	0	51,941	[2]	51,941	15,908
Support activities for mining	169,070	128,731	0	2,451,697	805,216	1,646,481	818,127
Utilities	130,807	48,144	188,596	555,959	267	555,692	216,478
Construction	11,706	27,261	0	338,685	39,239	299,446	52,470
Construction of buildings	4,279	4,448	0	200,974	16,055	184,919	29,771
Heavy and civil engineering construction	7,426	22,813	0	113,356	23,184	90,172	12,993
Special trade contractors	0	0	0	24,355	[2]	24,355	9,707
Manufacturing	25,508,739	20,231,800	8,676,183	201,734,178	16,903,091	184,831,087	74,238,612
Food manufacturing	1,057,260	168,360	0	9,624,826	175,737	9,449,089	2,770,952
Beverage and tobacco products	459,434	285,027	0	4,371,133	52,679	4,318,454	1,022,529
Tobacco manufacturing	*21,931	*38,539	*0	*400,244	*20,421	*379,823	*49,363
Textile mills and textile product mills	*13,847	*7,939	*0	*35,954	*[2]	*35,954	*12,398
Apparel manufacturing	34,729	13,678	0	238,523	884	237,639	49,342
Leather and allied product manufacturing	*6,058	*24,136	*0	*175,993	*[2]	*175,993	*26,365
Wood product manufacturing	829	122	0	7,918	699	7,219	8,460
Paper manufacturing	259,332	410,075	0	3,567,679	40,098	3,527,581	914,346
Printing and related support activities	10,404	2,943	0	164,677	48,479	116,198	28,970
Petroleum and coal products manufacturing	3,261,397	1,170,841	8,676,183	78,637,617	315,065	78,322,552	41,158,091
Chemical manufacturing	3,768,585	4,045,886	0	29,957,443	3,059,836	26,897,607	9,023,375
Pharmaceutical and medicine manufacturing	1,624,115	1,840,330	0	17,276,272	2,517,137	14,759,135	4,461,736
Other chemical manufacturing	2,144,470	2,205,557	0	12,681,171	542,698	12,138,473	4,561,639
Plastics and rubber products manufacturing	46,574	7,550	0	575,200	9,132	566,068	249,465
Nonmetallic mineral product manufacturing	73,484	22,097	0	270,468	4,129	266,339	122,353
Primary metal manufacturing	1,102,279	301,547	0	3,677,277	45,655	3,631,622	1,484,867
Fabricated metal products	423,645	468,772	0	1,853,339	74,437	1,778,902	765,002
Machinery manufacturing	1,439,395	2,646,271	0	7,532,310	371,065	7,161,245	2,209,714
Computer and electronic product manufacturing	3,366,751	6,294,529	0	34,224,154	6,909,795	27,314,359	6,531,249
Electrical equipment, appliance, and component manufacturing	6,779,187	1,796,929	0	9,289,747	675,149	8,614,598	2,507,417
Transportation equipment manufacturing	2,874,721	900,388	0	9,856,717	4,959,878	4,896,839	2,941,324
Motor vehicles and related manufacturing	2,170,407	237,539	0	6,612,269	4,919,070	1,693,199	1,912,561
Other transportation equipment manufacturing	704,314	662,849	0	3,244,448	40,809	3,203,639	1,028,762
Furniture and related products	69,924	69,423	0	419,149	12,686	406,463	262,641
Miscellaneous manufacturing and manufacturing not allocable	460,904	1,595,285	0	7,254,053	147,689	7,106,364	2,149,752
Wholesale and retail trade	1,688,513	1,504,574	113,124	16,551,959	781,818	15,770,141	4,934,323
Wholesale trade	1,107,034	1,272,649	113,124	10,852,994	374,108	10,478,886	3,023,383
Durable goods	67,096	248,143	0	1,013,031	179,456	833,575	270,861
Machinery, equipment, and supplies	3,090	44,269	0	196,020	111,091	84,929	20,633
Other miscellaneous durable goods	64,006	203,874	0	817,011	68,365	748,646	250,228
Nondurable goods	1,039,939	1,024,506	113,124	9,839,964	194,653	9,645,311	2,752,521
Drugs, chemicals, and allied products	240,666	540,225	0	1,455,505	92,978	1,362,527	293,848
Groceries and related products	201,820	14,045	0	1,975,541	25,149	1,950,392	180,501
Petroleum and petroleum products	120,265	32,468	113,124	4,206,027	376	4,205,651	1,558,637
Other miscellaneous nondurable goods	477,188	437,767	0	2,202,891	76,151	2,126,740	719,535

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued						
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments	Foreign taxes available for credit
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [7]				
	Interest	Other		Total			
(34)	(35)	(36)	(37)	(38)	(39)	(40)	
Wholesale and retail trade—continued							
Retail trade	581,478	231,925	0	5,698,964	407,709	5,291,255	1,910,940
Motor vehicle, parts dealers, and gas stations	1,276	266	0	101,768	1,193	100,575	25,324
Building materials, garden equipment, and supplies	32,639	2,738	0	209,991	[2]	209,991	63,822
Food and beverages stores	3,773	47	0	65,680	1,397	64,283	6,762
Apparel and accessory stores	29,651	60,526	0	854,144	14,815	839,329	167,736
General merchandise stores	*323,568	*21,989	*0	*2,555,653	*[2]	*2,555,653	*1,011,655
Miscellaneous retail trade	190,570	146,359	0	1,911,728	390,303	1,521,425	635,641
Transportation and warehousing	164,576	149,732	501	2,952,972	50,378	2,902,594	565,868
Air, rail, and water transportation	48,769	29,967	0	650,951	47,752	603,199	246,510
Water transportation	*8,304	*3,856	*0	*158,235	*42,515	*115,720	*86,559
Air and rail transportation	40,464	26,112	0	492,716	5,237	487,479	159,951
Other transportation and warehousing	115,807	119,765	501	2,302,021	2,626	2,299,395	319,359
Information	1,279,325	6,781,417	0	23,314,958	2,157,277	21,157,681	4,163,190
Publishing (except internet), motion picture, and sound recording	673,192	6,480,888	0	15,037,348	533,863	14,503,485	2,172,827
Broadcasting, internet publishing	300,276	52,679	0	1,614,355	5,869	1,608,486	216,057
Telecommunications	216,372	93,522	0	5,530,636	1,559,367	3,971,269	1,032,200
Internet service providers, web search portals, and data processing services	77,465	33,488	0	930,412	[2]	930,412	663,758
Other information services	12,020	120,839	0	202,208	58,180	144,028	78,349
Finance, insurance, real estate, and rental and leasing	37,988,775	12,136,143	0	44,551,787	4,784,312	39,767,475	9,526,352
Finance and insurance	37,761,913	12,119,527	0	43,742,896	4,409,926	39,332,970	9,311,707
Commercial banking and other depository credit agencies	529,060	44,395	0	1,011,056	318,431	692,625	257,700
Commercial banking	*407,513	*41,701	*0	*97,338	*[2]	*97,338	*34,839
Depository credit agencies other than banks	121,547	2,695	0	913,717	318,430	595,287	222,861
Nondepository credit intermediation	1,448,670	994,762	0	1,263,896	52,274	1,211,622	334,716
Securities, commodity contracts, and other	30,948,419	1,373,342	0	16,479,070	1,839,565	14,639,505	3,963,736
Insurance and related activities	4,526,987	9,541,686	0	23,609,196	2,199,495	21,409,701	4,367,473
Insurance agencies and brokerages	196,580	30,027	0	1,144,309	[2]	1,144,309	382,441
Funds, trusts, and other financial vehicles	308,777	165,342	0	1,379,678	160	1,379,518	388,083
Real estate and rental and leasing	226,862	16,616	0	808,891	374,386	434,505	214,645
Real estate	2,617	1,531	0	63,688	6,159	57,529	15,107
Rentals and leasing	224,245	15,085	0	745,203	368,226	376,977	199,538
Services	36,069,030	15,761,950	26,925	31,284,612	1,281,515	30,003,097	8,688,892
Professional, scientific, and technical services	344,737	961,653	0	2,967,395	384,681	2,582,714	1,248,328
Management of holding companies	34,995,553	12,661,132	26,925	24,153,148	725,573	23,427,575	5,976,700
Administrative and support and waste management and remediation	111,047	695,218	0	977,001	57,153	919,848	263,095
Education services, health care, and social assistance	24,852	13,556	0	405,222	7,648	397,574	117,120
Arts, entertainment, and recreation	0	20,146	0	80,007	10,566	69,441	25,061
Accommodation and food services	564,004	1,401,116	0	2,531,215	86,574	2,444,641	1,013,496
Accommodation	231,278	1,044,106	0	533,674	48,574	485,100	150,155
Food services and drinking places	332,726	357,009	0	1,997,541	38,000	1,959,541	863,341
Other services	28,837	9,130	0	170,624	9,321	161,303	45,092
Repair and maintenance services	2,862	0	0	20,818	8,441	12,377	6,830
Personal services, religious, grantmaking, civic, professional, and similar organizations	*25,975	*9,130	*0	*149,806	*880	*148,926	*38,262

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes available for credit—continued				
	Reduction for certain foreign taxes	Carryover	Limitation	Difference between limitation and foreign tax credit	Total paid, accrued, and deemed paid
	(41)	(42)	(43)	(44)	(45)
All industries	9,069,147	31,081,543	107,896,148	29,671,050	85,971,728
Agriculture, forestry, fishing, and hunting	0	11,168	16,700	9,440	3,785
Mining	404,048	1,420,479	4,642,325	471,084	4,566,553
Oil and gas extraction, coal mining	229,388	176,527	1,071,248	75,825	1,113,281
Metal ore mining	174,166	803,045	2,976,758	277,442	3,059,651
Nonmetallic minerals	0	1,670	18,163	3,777	14,238
Support activities for mining	493	439,237	576,156	114,041	379,383
Utilities	0	26,170	194,433	22,519	190,309
Construction	0	8,758	104,261	56,964	43,713
Construction of buildings	0	5,050	64,580	35,462	24,721
Heavy and civil engineering construction	0	1,801	31,321	20,294	11,192
Special trade contractors	0	1,906	8,361	1,209	7,800
Manufacturing	8,574,648	25,975,087	64,665,404	14,633,268	56,838,173
Food manufacturing	91,545	135,944	3,306,960	637,509	2,726,554
Beverage and tobacco products	319	26,875	1,511,298	517,703	995,973
Tobacco manufacturing	*0	*4,624	*132,876	*88,972	*44,738
Textile mills and textile product mills	*4,031	*7,720	*12,578	*3,650	*8,709
Apparel manufacturing	0	1,277	83,106	36,148	48,065
Leather and allied product manufacturing	*0	*10,335	*61,539	*37,093	*16,030
Wood product manufacturing	0	7,140	2,491	1,266	1,319
Paper manufacturing	0	17,627	1,234,483	348,059	896,719
Printing and related support activities	0	4,093	40,426	16,702	24,877
Petroleum and coal products manufacturing	7,974,936	15,258,976	27,412,647	818,272	33,874,051
Chemical manufacturing	61,608	3,222,320	9,396,240	3,807,668	5,862,662
Pharmaceutical and medicine manufacturing	29,901	1,734,177	5,162,571	2,835,124	2,757,460
Other chemical manufacturing	31,707	1,488,143	4,233,669	972,544	3,105,202
Plastics and rubber products manufacturing	0	58,781	197,592	3,817	190,684
Nonmetallic mineral product manufacturing	0	73,700	93,002	11,755	48,653
Primary metal manufacturing	123,753	187,569	1,270,625	112,991	1,421,051
Fabricated metal products	2,435	206,601	621,983	72,898	560,836
Machinery manufacturing	89,249	759,357	2,504,947	868,905	1,539,606
Computer and electronic product manufacturing	135,973	4,118,868	9,558,326	5,583,020	2,548,354
Electrical equipment, appliance, and component manufacturing	0	87,926	3,016,412	583,316	2,419,491
Transportation equipment manufacturing	0	1,361,773	1,713,537	355,730	1,579,550
Motor vehicles and related manufacturing	0	1,063,588	592,428	52,913	848,973
Other transportation equipment manufacturing	0	298,185	1,121,109	302,817	730,577
Furniture and related products	0	112,781	142,210	6,567	149,860
Miscellaneous manufacturing and manufacturing not allocable	90,799	315,423	2,485,002	810,199	1,925,129
Wholesale and retail trade	68,947	641,886	5,428,178	1,285,211	4,361,383
Wholesale trade	66,790	470,919	3,577,282	985,795	2,619,253
Durable goods	1,359	88,134	291,604	127,248	184,086
Machinery, equipment, and supplies	0	5,886	29,269	15,705	14,747
Other miscellaneous durable goods	1,359	82,248	262,334	111,543	169,339
Nondurable goods	65,431	382,785	3,285,678	858,547	2,435,167
Drugs, chemicals, and allied products	1,572	68,170	476,481	236,007	227,250
Groceries and related products	178	36,291	682,619	514,322	144,388
Petroleum and petroleum products	63,407	155,089	1,471,921	2,935	1,466,954
Other miscellaneous nondurable goods	275	123,235	654,657	105,282	596,575

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes available for credit—continued				
	Reduction for certain foreign taxes	Carryover	Limitation	Difference between limitation and foreign tax credit	Total paid, accrued, and deemed paid
	(41)	(42)	(43)	(44)	(45)
Wholesale and retail trade—continued					
Retail trade	2,157	170,967	1,850,896	299,416	1,742,130
Motor vehicle, parts dealers, and gas stations	0	1,408	35,077	12,188	23,916
Building materials, garden equipment, and supplies	0	0	73,458	9,636	63,822
Food and beverages stores	0	523	22,454	16,319	6,238
Apparel and accessory stores	2,157	13,946	293,713	148,016	155,947
General merchandise stores	*0	*7,069	*894,475	*35,095	*1,004,586
Miscellaneous retail trade	0	148,021	531,719	78,161	487,620
Transportation and warehousing	442	114,407	1,015,341	541,431	451,904
Air, rail, and water transportation	0	83,754	211,085	28,378	162,756
Water transportation	*0	*63,887	*40,471	*7,253	*22,672
Air and rail transportation	0	19,867	170,615	21,124	140,084
Other transportation and warehousing	442	30,653	804,255	513,053	289,148
Information	1	1,073,785	7,402,379	4,024,100	3,089,406
Publishing (except internet), motion picture, and sound recording	1	200,271	5,075,078	3,130,625	1,972,557
Broadcasting, internet publishing	0	1,403	562,822	350,381	214,654
Telecommunications	0	354,860	1,389,790	500,987	677,340
Internet service providers, web search portals, and data processing services	0	483,646	324,311	31,091	180,111
Other information services	0	33,605	50,378	11,015	44,744
Finance, insurance, real estate, and rental and leasing	[2]	713,575	13,930,482	5,554,693	8,812,777
Finance and insurance	[2]	595,798	13,779,981	5,488,349	8,715,909
Commercial banking and other depository credit agencies	0	40	242,410	47,779	257,660
Commercial banking	*0	*35	*34,068	*11,800	*34,804
Depository credit agencies other than banks	0	5	208,341	35,979	222,855
Nondepository credit intermediation	0	28,938	424,007	186,274	305,778
Securities, commodity contracts, and other	0	37,551	5,128,770	1,593,990	3,926,185
Insurance and related activities	[2]	529,060	7,476,464	3,539,636	3,838,413
Insurance agencies and brokerages	0	46,955	400,501	35,550	335,486
Funds, trusts, and other financial vehicles	0	209	508,330	120,670	387,874
Real estate and rental and leasing	0	117,777	150,501	66,344	96,868
Real estate	0	1,738	19,031	7,827	13,369
Rentals and leasing	0	116,039	131,470	58,517	83,499
Services	21,061	1,096,228	10,496,645	3,072,340	7,613,725
Professional, scientific, and technical services	11,353	425,031	901,815	303,326	834,650
Management of holding companies	9,708	470,250	8,199,448	2,539,293	5,516,158
Administrative and support and waste management and remediation	0	31,041	320,670	94,151	232,054
Education services, health care, and social assistance	0	13,157	138,906	34,689	103,963
Arts, entertainment, and recreation	0	8,305	24,107	9,953	16,756
Accommodation and food services	0	147,249	855,452	75,410	866,247
Accommodation	0	15,323	169,749	47,907	134,832
Food services and drinking places	0	131,927	685,703	27,503	731,414
Other services	0	1,194	56,246	15,518	43,897
Repair and maintenance services	0	1,194	4,169	554	5,636
Personal services, religious, grantmaking, civic, professional, and similar organizations	*0	*0	*52,077	*14,964	*38,262

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued			
	Foreign taxes available for credit—continued			
	Foreign taxes paid or accrued			
	Total	Taxes withheld at source on—		
		Dividends	Interest	Rents, royalties, and license fees
	(46)	(47)	(48)	(49)
All industries	46,110,517	2,004,993	1,211,579	3,228,564
Agriculture, forestry, fishing, and hunting	3,303	56	152	185
Mining	3,937,367	278,688	41,442	20,814
Oil and gas extraction, coal mining	931,305	7,174	2,054	383
Metal ore mining	2,761,249	269,808	34,843	5,665
Nonmetallic minerals	1,632	49	359	330
Support activities for mining	243,181	1,657	4,185	14,437
Utilities	119,807	2,532	233	0
Construction	24,834	1,698	162	1,151
Construction of buildings	10,394	1,145	1	808
Heavy and civil engineering construction	9,615	431	142	282
Special trade contractors	4,825	122	19	60
Manufacturing	28,660,609	793,427	332,238	1,824,227
Food manufacturing	448,023	151,490	9,400	37,796
Beverage and tobacco products	333,023	62,494	4,350	44,257
Tobacco manufacturing	*30,523	*1,251	*0	*971
Textile mills and textile product mills	*2,236	*600	*53	*672
Apparel manufacturing	16,730	886	1,495	9,725
Leather and allied product manufacturing	*5,869	*[2]	*213	*5,574
Wood product manufacturing	467	73	32	62
Paper manufacturing	218,474	38,429	5,604	54,871
Printing and related support activities	6,679	472	356	666
Petroleum and coal products manufacturing	21,370,411	58,767	19,516	10,213
Chemical manufacturing	1,850,303	178,928	16,355	526,709
Pharmaceutical and medicine manufacturing	1,108,281	53,912	2,033	304,677
Other chemical manufacturing	742,022	125,016	14,322	222,032
Plastics and rubber products manufacturing	15,461	3,467	1,173	8,753
Nonmetallic mineral product manufacturing	25,609	5,192	8,281	2,704
Primary metal manufacturing	945,298	51,944	19,654	6,849
Fabricated metal products	245,362	14,777	7,232	12,158
Machinery manufacturing	384,497	20,574	27,133	42,772
Computer and electronic product manufacturing	1,176,959	113,451	12,364	719,683
Electrical equipment, appliance, and component manufacturing	885,006	37,594	180,859	46,917
Transportation equipment manufacturing	399,193	23,394	12,411	129,844
Motor vehicles and related manufacturing	230,959	12,320	10,188	59,357
Other transportation equipment manufacturing	168,235	11,073	2,223	70,487
Furniture and related products	14,434	8,075	513	815
Miscellaneous manufacturing and manufacturing not allocable	316,574	22,819	5,242	163,186
Wholesale and retail trade	1,145,201	126,069	97,319	168,668
Wholesale trade	734,458	74,777	32,186	78,899
Durable goods	88,510	8,788	17,952	11,104
Machinery, equipment, and supplies	9,746	414	491	552
Other miscellaneous durable goods	78,764	8,374	17,461	10,553
Nondurable goods	645,949	65,989	14,234	67,795
Drugs, chemicals, and allied products	103,268	14,181	5,724	21,042
Groceries and related products	49,817	16,313	2,100	3,415
Petroleum and petroleum products	318,340	68	488	391
Other miscellaneous nondurable goods	174,523	35,427	5,922	42,947

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued			
	Foreign taxes available for credit—continued			
	Foreign taxes paid or accrued			
	Total	Taxes withheld at source on—		
Dividends		Interest	Rents, royalties, and license fees	
	(46)	(47)	(48)	(49)
Wholesale and retail trade—continued				
Retail trade	410,742	51,293	65,133	89,769
Motor vehicle, parts dealers, and gas stations	14,491	58	3,044	306
Building materials, garden equipment, and supplies	59,845	18,592	9,814	21,092
Food and beverages stores	5,413	180	0	5,232
Apparel and accessory stores	107,822	1,200	7,438	14,362
General merchandise stores	*118,218	*2,885	*40,434	*32,402
Miscellaneous retail trade	104,954	28,378	4,403	16,375
Transportation and warehousing	187,056	12,988	6,368	19,636
Air, rail, and water transportation	42,930	68	1,952	8,187
Water transportation	*18,751	*0	*116	*0
Air and rail transportation	24,179	68	1,836	8,187
Other transportation and warehousing	144,126	12,920	4,416	11,449
Information	1,722,882	73,782	9,951	896,612
Publishing (except internet), motion picture, and sound recording	1,465,022	46,457	2,722	733,869
Broadcasting, internet publishing	167,733	2,280	256	151,288
Telecommunications	45,700	16,841	3,879	1,415
Internet service providers, web search portals, and data processing services	32,930	5,517	3,055	7,974
Other information services	11,497	2,688	39	2,065
Finance, insurance, real estate, and rental and leasing	5,375,416	328,366	611,075	68,730
Finance and insurance	5,311,098	327,808	609,774	26,520
Commercial banking and other depository credit agencies	257,654	134,691	122,419	0
Commercial banking	*34,804	*7	*34,797	*0
Depository credit agencies other than banks	222,849	134,684	87,622	0
Nondepository credit intermediation	155,110	7,649	7,122	15,758
Securities, commodity contracts, and other	2,184,553	36,048	150,966	60
Insurance and related activities	2,326,060	149,398	49,635	10,702
Insurance agencies and brokerages	87,815	3,741	24	43
Funds, trusts, and other financial vehicles	387,722	22	279,631	1
Real estate and rental and leasing	64,318	558	1,301	42,209
Real estate	6,608	525	1,200	295
Rentals and leasing	57,710	33	101	41,914
Services	4,934,042	387,388	112,639	228,543
Professional, scientific, and technical services	456,299	14,124	4,188	43,603
Management of holding companies	3,851,584	350,796	81,045	12,243
Administrative and support and waste management and remediation	69,323	12,631	1,924	20,405
Education services, health care, and social assistance	5,494	1,047	500	2,454
Arts, entertainment, and recreation	15,845	21	628	6,833
Accommodation and food services	529,249	7,473	23,422	141,211
Accommodation	116,490	677	2,117	37,853
Food services and drinking places	412,759	6,796	21,305	103,358
Other services	6,248	1,295	931	1,793
Repair and maintenance services	1,682	312	0	0
Personal services, religious, grantmaking, civic, professional, and similar organizations	*4,566	*983	*931	*1,793

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued				Taxes deemed paid
	Foreign taxes available for credit—continued				
	Foreign taxes paid or accrued—continued				
	Other taxes paid or accrued on—				
	Branch income	Specifically allocable income (section 863(b))	Service income	Other income	
(50)	(51)	(52)	(53)	(54)	
All industries	11,438,566	120,315	557,999	27,548,502	39,861,211
Agriculture, forestry, fishing, and hunting	822	0	1,161	927	482
Mining	629,431	0	33,302	2,933,690	629,185
Oil and gas extraction, coal mining	210,892	0	7,090	703,711	181,976
Metal ore mining	233,480	0	0	2,217,453	298,402
Nonmetallic minerals	230	0	255	410	12,606
Support activities for mining	184,830	0	25,956	12,116	136,202
Utilities	109,118	0	0	7,924	70,501
Construction	4,195	0	13,132	4,496	18,878
Construction of buildings	683	0	3,385	4,371	14,327
Heavy and civil engineering construction	1,039	0	7,607	114	1,576
Special trade contractors	2,473	0	2,140	11	2,975
Manufacturing	4,008,125	102,785	110,820	21,488,988	28,177,564
Food manufacturing	200,604	141	143	48,449	2,278,531
Beverage and tobacco products	195,789	0	708	25,425	662,950
Tobacco manufacturing	*28,301	*0	*0	*0	*14,215
Textile mills and textile product mills	*911	*0	*0	*0	*6,473
Apparel manufacturing	401	0	0	4,223	31,335
Leather and allied product manufacturing	*49	*0	*33	*0	*10,160
Wood product manufacturing	0	0	0	300	852
Paper manufacturing	11,709	241	7,341	100,279	678,245
Printing and related support activities	4,721	0	417	48	18,198
Petroleum and coal products manufacturing	983,054	1	5,353	20,293,506	12,503,640
Chemical manufacturing	515,862	8,797	26,966	576,686	4,012,360
Pharmaceutical and medicine manufacturing	272,729	8,010	5,232	461,688	1,649,180
Other chemical manufacturing	243,132	787	21,734	114,999	2,363,180
Plastics and rubber products manufacturing	1,107	0	8	952	175,224
Nonmetallic mineral product manufacturing	8,310	132	624	365	23,044
Primary metal manufacturing	844,031	0	14,848	7,972	475,753
Fabricated metal products	146,454	361	2,601	61,779	315,473
Machinery manufacturing	233,814	1,456	13,169	45,579	1,155,109
Computer and electronic product manufacturing	153,724	81,702	28,571	67,465	1,371,394
Electrical equipment, appliance, and component manufacturing	537,156	0	1,445	81,034	1,534,486
Transportation equipment manufacturing	58,904	9,777	7,114	157,749	1,180,357
Motor vehicles and related manufacturing	23,790	0	991	124,313	618,014
Other transportation equipment manufacturing	35,115	9,777	6,124	33,436	562,343
Furniture and related products	4,658	0	0	372	135,426
Miscellaneous manufacturing and manufacturing not allocable	106,867	175	1,480	16,805	1,608,555
Wholesale and retail trade	301,475	163	10,532	440,974	3,216,183
Wholesale trade	135,790	163	9,454	403,189	1,884,795
Durable goods	25,704	0	6,114	18,848	95,577
Machinery, equipment, and supplies	5,112	0	1,121	2,057	5,001
Other miscellaneous durable goods	20,592	0	4,993	16,791	90,576
Nondurable goods	110,086	163	3,340	384,341	1,789,218
Drugs, chemicals, and allied products	54,527	163	2,819	4,812	123,982
Groceries and related products	26,221	0	115	1,653	94,570
Petroleum and petroleum products	671	0	0	316,722	1,148,614
Other miscellaneous nondurable goods	28,667	0	406	61,154	422,052

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

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

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes reported on Form 1118—continued				Taxes deemed paid
	Foreign taxes available for credit—continued				
	Foreign taxes paid or accrued—continued				
	Other taxes paid or accrued on—				
	Branch income	Specifically allocable income (section 863(b))	Service income	Other income	
(50)	(51)	(52)	(53)	(54)	
Wholesale and retail trade—continued					
Retail trade	165,685	0	1,078	37,785	1,331,388
Motor vehicle, parts dealers, and gas stations	9,331	0	0	1,752	9,425
Building materials, garden equipment, and supplies	530	0	0	9,817	3,977
Food and beverages stores	0	0	0	0	826
Apparel and accessory stores	82,999	0	0	1,823	48,125
General merchandise stores	*24,866	*0	*0	*17,631	*886,368
Miscellaneous retail trade	47,958	0	1,078	6,762	382,666
Transportation and warehousing	101,743	4,923	26,058	15,341	264,848
Air, rail, and water transportation	422	4,923	16,756	10,622	119,826
Water transportation	*345	*4,923	*13,367	*0	*3,921
Air and rail transportation	78	0	3,389	10,622	115,905
Other transportation and warehousing	101,321	0	9,302	4,719	145,022
Information	471,922	8,797	17,826	243,991	1,366,524
Publishing (except internet), motion picture, and sound recording	440,098	8,767	3,967	229,141	507,534
Broadcasting, internet publishing	619	0	0	13,289	46,921
Telecommunications	16,028	0	6,080	1,457	631,640
Internet service providers, web search portals, and data processing services	8,695	0	7,689	0	147,181
Other information services	6,482	30	90	104	33,247
Finance, insurance, real estate, and rental and leasing	2,979,056	313	69,790	1,318,086	3,437,361
Finance and insurance	2,970,950	313	68,559	1,307,174	3,404,811
Commercial banking and other depository credit agencies	540	0	0	3	6
Commercial banking	*0	*0	*0	*0	*0
Depository credit agencies other than banks	540	0	0	3	6
Nondepository credit intermediation	91,219	0	16,026	17,336	150,668
Securities, commodity contracts, and other	1,266,850	0	29,467	701,161	1,741,632
Insurance and related activities	1,575,910	313	20,029	520,073	1,512,352
Insurance agencies and brokerages	48,992	0	709	34,306	247,671
Funds, trusts, and other financial vehicles	36,431	0	3,036	68,601	152
Real estate and rental and leasing	8,106	0	1,232	10,912	32,550
Real estate	130	0	208	4,249	6,761
Rentals and leasing	7,976	0	1,023	6,663	25,789
Services	2,832,678	3,333	275,377	1,094,084	2,679,683
Professional, scientific, and technical services	115,492	0	204,519	74,373	378,351
Management of holding companies	2,423,646	0	58,596	925,257	1,664,573
Administrative and support and waste management and remediation	20,192	0	1,978	12,193	162,732
Education services, health care, and social assistance	341	0	1,087	64	98,469
Arts, entertainment, and recreation	3,710	3,333	1,217	102	910
Accommodation and food services	268,694	0	6,521	81,929	336,998
Accommodation	13,023	0	6,395	56,425	18,342
Food services and drinking places	255,671	0	125	25,503	318,656
Other services	603	0	1,459	166	37,650
Repair and maintenance services	0	0	1,315	55	3,954
Personal services, religious, grantmaking, civic, professional, and similar organizations	*603	*0	*144	*110	*33,696

Footnotes at end of table.

Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes Reported on Form 1118, by Major and Selected Minor Industry—Continued

Footnotes

* Data should be used with caution because of the small number of sample returns on which they were based.

[1] Interest-Charge Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[2] Less than \$500.

[3] Includes adjustments and recapture of certain tax credits not included in column 12.

[4] In addition to the credits shown in columns 13–15, this is after reduction by other credits, such as the jobs credit and the investment credit, which are not shown separately in this table.

[5] Included in gross income (less loss), columns 17–23. See notes below.

[6] Column 32 exceeds the sum of columns 33 through 35 because some corporations do not file a Schedule H to support the not allocable deductions reported on Schedule A.

[7] Included in deductions, columns 26–35. See notes below.

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

Columns 2 through 16 present statistics on assets, receipts, income, and taxes reported on Form 1120 (*Corporation Income Tax Return*) series for corporations that claimed a foreign tax credit. Columns 17 through 54 present statistics from Form 1118, *Foreign Tax Credit—Corporations*. Schedule references indicate the schedule of Form 1118 from which the data were obtained. Columns 17 through 35 present statistics on foreign income (i.e., income from sources outside the United States) and deductions reported primarily on Schedule A, Form 1118.

Although the amounts of oil and gas income and deductions (columns 24 and 36, respectively) are contained in the summary columns (i.e., columns 17 through 23 and 26 through 35), these amounts are also reported separately (on Schedule I) because oil and gas income is subject to special rules under Internal Revenue Code section 907, which may result in a reduction of foreign taxes available for credit. Foreign branch income and code section 863(b) income (income partly within and partly without the United States) also are included in the summary amounts reported in columns 17 through 23.

Foreign branch income also is reported separately on Schedule F, shown in column 25. Total deductions not allocable to specific types of income (column 32) are equal to the sum of columns 33 through 35 (any differences are due to taxpayer reporting practices). Total foreign-source gross income (column 17) less total foreign deductions (column 26) is equal to foreign-source taxable income (less loss) before adjustments (column 37).

Adjustments to foreign-source taxable income (reported in column 38) include allocations of current-year, U.S.-source losses and recapture of foreign losses, as well as other adjustments. These adjustments (reported on Schedule J) affect the numerator of the limitation fraction used to compute the foreign tax credit. The foreign-source taxable income (less loss) after adjustments (the numerator of the limitation fraction) is reported in column 39. The limitation fraction, which represents the ratio of foreign-source taxable income after adjustments to total (U.S. and foreign) taxable income after adjustments, is applied to the total U.S. tax against which the credit is allowed to determine any limitation on the foreign tax credit.

Statistics on foreign taxes are reported in columns 40 through 54. Data on foreign taxes paid, accrued, and deemed paid (through related foreign corporations or their subsidiaries) from Schedule B, Form 1118, are reported in columns 45 through 54. Total foreign taxes paid or accrued (column 46) are the sum of columns 47 through 53. Total foreign taxes paid, accrued, and deemed paid (column 45) are equal to the sum of total taxes paid or accrued (column 46) and taxes deemed paid (column 54). Total foreign taxes paid, accrued, and deemed paid are then adjusted for certain items (e.g., reductions of foreign taxes under Code section 907 related to oil and gas income), which are reported in column 41, as well as carryovers of foreign taxes not credited in prior years, which are reported in column 42. Thus, total foreign taxes available for credit (column 40) are equal to total foreign taxes paid, accrued, and deemed paid (column 45) less certain foreign taxes (column 41), plus any carryover of prior-year foreign taxes (column 42).

In reference to column 44, the difference between the foreign tax credit limitation and the foreign tax credit is a measure of the U.S. tax owed on foreign source corporate income. The foreign tax credit limitation is the ratio of foreign source income (after deductions) to total taxable income from all sources multiplied by the total U.S. income tax against which the credit is allowed. A limitation of this measure of the U.S. tax owed on foreign source corporate income is that it relies on the definition of foreign source income contained in the tax code. Thus, it assumes that the allocation of expenses to foreign source income accurately reflects the cost of earning that income. Current law also allows expenses allocable to foreign source income to be deducted even when all of the income associated with those expenses is deferred. In that case, the computed residual U.S. tax would be zero, rather than negative. In addition, the definition of foreign source income includes income that may be considered domestic source income, such as certain income from sales of U.S. inventory property.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed

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

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
ALL INDUSTRIES						
All income types	6,947	667,110,481	111,601,806	39,542,156	114,774,299	98,708,506
Passive income	3,525	20,427,730	9,169,511	959,585	7,823,147	906,917
High withholding tax interest	271	1,470,490	58,744	19,881	1,391,864	0
Financial services income	263	206,505,856	22,967,884	4,915,288	97,472,894	4,273,169
Shipping income	38	8,801,788	429,845	27,766	123,869	546,701
Dividends from an IC-DISC or former DISC [1]	35	313	313	0	0	0
Miscellaneous separately calculated limitation income	*7	*93,820	*51,603	*0	*0	*140
Distributions from a FSC or former FSC [2]	*6	*272,750	*272,750	*0	*0	*0
General limitation income	3,649	428,997,469	78,320,761	33,542,334	7,940,181	92,978,941
Section 901(j) income	*8	*51,235	*47,894	*46	*832	*2,371
Income resourced by treaty	69	489,030	282,501	77,256	21,513	267
AGRICULTURE, FORESTRY, FISHING, AND HUNTING						
All income types	220	124,172	8,014	482	2,515	8,559
Passive income	130	8,539	6,753	391	746	168
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	91	115,634	1,261	91	1,769	8,391
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	130	22,760,436	2,642,707	622,696	716,187	624,710
Passive income	57	633,591	163,637	6,660	260,093	5,685
High withholding tax interest	*6	*29,074	*10,385	*1,234	*4	*0
Financial services income	*3	*4,860	*4,799	*0	*61	*0
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	97	21,837,801	2,289,843	558,059	416,519	616,654
Section 901(j) income	*3	*49,127	*45,858	*46	*832	*2,371
Income resourced by treaty	d	d	d	d	d	d
UTILITIES						
All income types	12	910,749	201,164	70,501	11,496	0
Passive income	*8	*26,984	*10,302	*192	*3,623	*0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*8	*883,765	*190,862	*70,309	*7,873	*0
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
CONSTRUCTION						
All income types	458	786,636	48,779	18,878	5,711	136,418
Passive income	240	22,670	13,047	568	3,098	0
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	28	117	117	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	190	732,745	35,615	18,310	1,778	136,418
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MANUFACTURING						
All income types	1,462	319,771,859	71,384,139	27,926,092	12,497,344	58,895,967
Passive income	666	12,816,357	6,590,573	644,707	4,070,011	583,709
High withholding tax interest	60	461,002	7,300	2,786	450,916	0
Financial services income	40	9,445,782	4,315,711	283,560	2,720,175	534,268
Shipping income	15	1,391,190	367,528	12,506	6,226	310,033
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	*3	*369	*0	*0	*0	*138
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	1,039	295,401,153	59,962,606	26,964,797	5,249,730	57,467,794
Section 901(j) income	*4	*2,109	*2,036	*0	*0	*0
Income resourced by treaty	53	252,206	136,693	17,736	287	26
WHOLESALE AND RETAIL TRADE						
All income types	843	26,493,302	7,529,812	3,201,671	1,260,173	4,024,634
Passive income	412	1,169,455	454,445	46,056	406,754	126,098
High withholding tax interest	57	69,102	15	3	69,084	0
Financial services income	*7	*2,296,267	*463,026	*67,780	*212,140	*0
Shipping income	*5	*88,435	*13,047	*937	*13	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	470	22,861,915	6,596,447	3,086,747	572,182	3,898,533
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*5	*8,107	*2,813	*149	*0	*0
TRANSPORTATION AND WAREHOUSING						
All income types	141	17,270,167	650,101	264,072	203,916	326,217
Passive income	51	367,907	243,085	104,305	10,225	9,344
High withholding tax interest	10	29,043	0	0	29,043	0
Financial services income	*8	*63,665	*6	*0	*0	*0
Shipping income	*7	*7,062,711	*47,628	*14,245	*110,300	*171,880
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	86	9,746,841	359,382	145,522	54,347	144,993
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
INFORMATION						
All income types	268	45,977,285	5,485,209	1,363,651	845,583	25,507,097
Passive income	120	1,443,737	792,958	109,262	350,047	98,603
High withholding tax interest	18	3,884	0	0	3,884	0
Financial services income	*3	*502,686	*0	*0	*0	*164,915
Shipping income	*3	*248,765	*0	*0	*7,330	*64,626
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	*3	*35,295	*35,295	*0	*0	*0
General limitation income	170	43,738,695	4,655,990	1,253,509	484,323	25,178,953
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*4	*4,222	*966	*880	*0	*0
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	1,494	119,622,448	15,338,566	3,410,135	50,798,656	2,470,618
Passive income	1,004	3,303,550	531,677	7,380	2,573,176	38,914
High withholding tax interest	61	452,332	3,743	943	447,646	0
Financial services income	161	107,829,475	13,943,771	3,166,297	47,298,463	1,229,637
Shipping income	*4	*12,487	*1,643	*79	*0	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	383	8,024,363	857,732	235,437	479,372	1,201,826
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	1,919	113,393,428	8,313,315	2,663,978	48,432,719	6,714,285
Passive income	837	634,941	363,034	40,063	145,375	44,395
High withholding tax interest	57	425,217	37,301	14,916	373,000	0
Financial services income	41	86,363,121	4,240,570	1,397,652	47,242,055	2,344,349
Shipping income	*3	*377	*0	*0	*0	*162
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	1,114	25,654,558	3,371,023	1,209,553	672,289	4,325,379
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*4	*16,094	*13,842	*1,794	*0	*0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Deductions	
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total	Definitely allocable deductions
	(7)	(8)	(9)	(10)	(11)	Total (12)
ALL INDUSTRIES						
All income types	36,404,092	266,079,622	72,232,676	145,989,673	331,564,999	150,471,450
Passive income	0	1,568,571	0	420,586	4,540,015	672,235
High withholding tax interest	0	[7]	0	18	677,201	69,424
Financial services income	5,713,121	71,163,501	0	70,905,745	140,345,645	39,381,991
Shipping income	153,885	7,519,722	0	4,167,496	8,254,416	7,210,062
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*30,269	*11,808	*0	*0	*8,162	*165
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*40,642	*40,486
General limitation income	30,500,493	185,714,759	72,191,228	70,491,074	177,591,172	103,079,332
Section 901(j) income	*0	*92	*41,448	*0	*5,306	*3,347
Income resourced by treaty	6,324	101,168	0	4,753	102,440	14,407
AGRICULTURE, FORESTRY, FISHING, AND HUNTING						
All income types	7,372	97,230	0	8,325	76,002	48,316
Passive income	0	481	0	0	84	84
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	7,372	96,749	0	8,325	75,918	48,232
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	1,877,827	16,276,308	5,002,984	5,097,765	8,548,233	7,365,821
Passive income	0	197,517	0	79,615	81,764	10,730
High withholding tax interest	*0	*0	*0	*0	*198	*0
Financial services income	*0	*0	*0	*0	*494	*7
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	1,877,827	16,078,899	4,961,536	5,018,150	8,414,473	7,349,996
Section 901(j) income	*0	*19	*41,448	*0	*4,692	*3,347
Income resourced by treaty	d	d	d	d	d	d
UTILITIES						
All income types	0	627,587	584,530	610,463	354,790	175,696
Passive income	*0	*12,867	*0	*85	*7,003	*388
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*0	*614,720	*584,530	*610,378	*347,787	*175,308
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Deductions	
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total	Definitely allocable deductions
	(7)	(8)	(9)	(10)	(11)	Total (12)
CONSTRUCTION						
All income types	428,124	148,725	0	191,089	447,951	408,107
Passive income	0	5,957	0	0	6,151	5,629
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	397,855	142,768	0	191,089	433,501	402,161
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MANUFACTURING						
All income types	5,677,352	143,390,965	62,969,025	38,102,173	118,037,681	56,024,127
Passive income	0	927,356	0	264,664	2,947,523	401,941
High withholding tax interest	0	[7]	0	0	223,427	25,895
Financial services income	1,561	1,590,507	0	265,718	6,163,619	2,138,483
Shipping income	730	694,167	0	139	1,428,114	627,026
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	*0	*231	*0	*0	*180	*165
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	5,668,737	140,087,490	62,969,025	37,571,653	107,224,364	52,817,588
Section 901(j) income	*0	*73	*0	*0	*614	*0
Income resourced by treaty	6,324	91,141	0	0	48,324	11,511
WHOLESALE AND RETAIL TRADE						
All income types	619,192	9,857,821	3,532,064	3,915,871	9,941,343	6,521,086
Passive income	0	136,101	0	29,321	338,105	37,784
High withholding tax interest	0	0	0	18	9,461	967
Financial services income	*129,170	*1,424,151	*0	*142,110	*537,623	*338,551
Shipping income	*58,086	*16,352	*0	*79,779	*51,074	*45,572
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	431,936	8,276,071	3,532,064	3,659,890	9,003,472	6,097,889
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*0	*5,145	*0	*4,753	*1,608	*322
TRANSPORTATION AND WAREHOUSING						
All income types	8,963,230	6,862,631	5,556	12,632,323	14,317,195	13,919,780
Passive income	0	948	0	0	12,725	3,420
High withholding tax interest	0	0	0	0	17,464	23
Financial services income	*63,587	*72	*0	*0	*51,224	*49,582
Shipping income	*94,854	*6,623,804	*0	*4,087,579	*6,355,505	*6,222,053
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	8,804,789	237,807	5,556	8,544,745	7,880,277	7,644,702
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Deductions	
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total	Definitely allocable deductions
	(7)	(8)	(9)	(10)	(11)	Total (12)
INFORMATION						
All income types	3,421,639	9,354,106	0	5,761,276	22,662,327	12,693,737
Passive income	0	92,867	0	1,736	318,729	72,929
High withholding tax interest	0	0	0	0	254	3
Financial services income	*0	*337,772	*0	*0	*29,757	*7,986
Shipping income	*0	*176,809	*0	*0	*133,129	*116,819
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*35,426	*35,295
General limitation income	3,421,639	8,744,282	0	5,759,540	22,143,976	12,460,112
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*0	*2,376	*0	*0	*1,057	*594
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	4,802,087	42,802,386	0	20,862,877	75,070,661	23,733,899
Passive income	0	152,403	0	17,321	644,700	70,780
High withholding tax interest	0	0	0	0	223,677	20,559
Financial services income	3,773,487	38,417,820	0	19,546,039	69,794,469	20,681,456
Shipping income	*0	*10,766	*0	*0	*286,359	*198,591
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	1,028,599	4,221,397	0	1,299,517	4,121,218	2,762,274
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	10,607,269	36,661,864	138,516	58,807,510	82,108,817	29,580,881
Passive income	0	42,075	0	27,845	183,231	68,551
High withholding tax interest	0	0	0	0	202,403	21,659
Financial services income	1,745,316	29,393,179	0	50,951,878	63,768,460	16,165,926
Shipping income	*215	*0	*0	*0	*231	*1
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	8,861,738	7,214,575	138,516	7,827,787	17,946,187	13,321,069
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*0	*458	*0	*0	*4,604	*0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					
	Definitely allocable deductions—continued				Deductions not allocable to specific types of income	
	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [5]	Research and development
	(13)	(14)	(15)	(16)	(17)	(18)
ALL INDUSTRIES						
All income types	1,669,432	4,959,174	23,275,164	120,567,679	181,093,550	18,663,370
Passive income	71,039	91,660	465	509,070	3,867,781	237,423
High withholding tax interest	0	317	0	69,106	607,777	498
Financial services income	709,238	531,566	2,659,597	35,481,590	100,963,654	243,393
Shipping income	58,845	375	61,075	7,089,767	1,044,354	12,306
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*129	*0	*0	*36	*7,997	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*40,486	*155	*0
General limitation income	830,136	4,335,055	20,552,020	77,362,122	74,511,839	18,169,653
Section 901(j) income	*0	*0	*0	*3,347	*1,959	*52
Income resourced by treaty	45	200	2,007	12,155	88,033	45
AGRICULTURE, FORESTRY, FISHING, AND HUNTING						
All income types	518	42	4,113	43,644	27,686	2,669
Passive income	0	42	0	42	0	0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	518	0	4,113	43,602	27,686	2,669
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	106,667	103,204	959,117	6,196,833	1,182,413	69,442
Passive income	0	377	0	10,353	71,034	7,112
High withholding tax interest	*0	*0	*0	*0	*198	*198
Financial services income	*0	*0	*0	*7	*487	*6
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	106,667	102,827	959,117	6,181,386	1,064,476	62,113
Section 901(j) income	*0	*0	*0	*3,347	*1,344	*13
Income resourced by treaty	d	d	d	d	d	d
UTILITIES						
All income types	1,433	14	0	174,249	179,094	24
Passive income	*0	*7	*0	*381	*6,615	*0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*1,433	*7	*0	*173,867	*172,479	*24
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					
	Definitely allocable deductions—continued				Deductions not allocable to specific types of income	
	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [5]	Research and development
	(13)	(14)	(15)	(16)	(17)	(18)
CONSTRUCTION						
All income types	171	3,527	283,384	121,025	39,844	0
Passive income	0	2,321	0	3,307	522	0
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	171	888	283,384	117,718	31,339	0
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MANUFACTURING						
All income types	666,945	362,501	1,915,898	53,078,783	62,013,554	15,949,384
Passive income	46,581	33,575	0	321,785	2,545,582	172,408
High withholding tax interest	0	0	0	25,895	197,532	15
Financial services income	0	0	0	2,138,483	4,025,135	18,600
Shipping income	5,132	0	0	621,894	801,088	7,370
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	*129	*0	*0	*36	*14	*0
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	615,103	328,919	1,913,891	49,959,675	54,406,775	15,750,950
Section 901(j) income	*0	*0	*0	*0	*614	*39
Income resourced by treaty	0	6	2,007	9,498	36,813	3
WHOLESALE AND RETAIL TRADE						
All income types	25,719	179,284	325,538	5,990,545	3,420,257	158,519
Passive income	5,956	3,017	0	28,811	300,322	28,215
High withholding tax interest	0	0	0	967	8,494	0
Financial services income	*0	*58,428	*0	*280,124	*199,072	*0
Shipping income	*0	*0	*20,806	*24,766	*5,502	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	19,763	117,839	304,732	5,655,554	2,905,584	130,304
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*0	*0	*0	*322	*1,285	*0
TRANSPORTATION AND WAREHOUSING						
All income types	22,213	38,739	7,520,966	6,337,862	397,415	28,382
Passive income	0	134	0	3,286	9,306	0
High withholding tax interest	0	0	0	23	17,441	0
Financial services income	*0	*0	*48,823	*759	*1,642	*0
Shipping income	*19,737	*7	*40,270	*6,162,039	*133,452	*4,936
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	2,476	38,598	7,431,873	171,755	235,574	23,446
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					
	Definitely allocable deductions—continued				Deductions not allocable to specific types of income	
	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [5]	Research and development
	(13)	(14)	(15)	(16)	(17)	(18)
INFORMATION						
All income types	60,348	2,931,450	2,408,797	7,293,143	9,968,590	1,846,677
Passive income	0	44,301	0	28,628	245,800	18,879
High withholding tax interest	0	0	0	3	251	0
Financial services income	*0	*0	*0	*7,986	*21,772	*0
Shipping income	*33,976	*368	*0	*82,476	*16,309	*0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*35,295	*131	*0
General limitation income	26,372	2,886,782	2,408,797	7,138,161	9,683,864	1,827,755
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*0	*0	*0	*594	*462	*43
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	62,768	157,805	2,980,605	20,532,722	51,336,762	26,196
Passive income	2,111	2,635	0	66,033	573,920	0
High withholding tax interest	0	0	0	20,559	203,118	19
Financial services income	20,621	69,777	2,191,785	18,399,274	49,113,013	20,698
Shipping income	*0	*0	*0	*198,591	*87,768	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	39,990	85,200	788,820	1,848,265	1,358,944	5,479
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	722,651	1,182,609	6,876,747	20,798,874	52,527,936	582,077
Passive income	16,391	5,252	465	46,442	114,681	10,808
High withholding tax interest	0	0	0	21,659	180,744	267
Financial services income	688,617	403,362	418,989	14,654,958	47,602,534	204,089
Shipping income	*0	*0	*0	*1	*230	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	17,642	773,995	6,457,293	6,072,139	4,625,118	366,913
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*0	*0	*0	*0	*4,604	*0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [6]			
	Interest	Other				
	(19)	(20)	(21)	(22)	(23)	(24)
ALL INDUSTRIES						
All income types	103,223,727	57,378,308	11,477,820	335,545,482	26,946,484	308,598,997
Passive income	2,785,568	813,615	0	15,887,715	1,406,896	14,480,819
High withholding tax interest	511,614	44,018	0	793,288	11,099	782,190
Financial services income	75,814,231	23,858,808	0	66,160,211	4,673,911	61,486,300
Shipping income	811,005	220,869	0	547,372	-557,325	1,104,697
Dividends from an IC-DISC or former DISC [1]	0	0	0	313	0	313
Miscellaneous separately calculated limitation income	*7	*7,990	*0	*85,658	*13,218	*72,440
Distributions from a FSC or former FSC [2]	*0	*155	*0	*232,108	*-162	*232,271
General limitation income	23,249,766	32,394,519	11,475,262	251,406,297	21,398,828	230,007,469
Section 901(j) income	*1,226	*680	*2,558	*45,930	*-2,217	*48,146
Income resourced by treaty	50,310	37,652	0	386,589	2,237	384,353
AGRICULTURE, FORESTRY, FISHING, AND HUNTING						
All income types	23,380	1,636	0	48,170	0	48,170
Passive income	0	0	0	8,454	0	8,454
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	23,380	1,636	0	39,716	0	39,716
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	358,876	735,650	2,472,492	14,212,202	948,587	13,263,616
Passive income	43,478	23,297	0	551,828	55,138	496,689
High withholding tax interest	*0	*[7]	*0	*28,876	*110	*28,766
Financial services income	*365	*123	*0	*4,366	*143	*4,223
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	304,732	676,327	2,469,935	13,423,328	895,449	12,527,880
Section 901(j) income	*877	*454	*2,558	*44,435	*-1,940	*46,375
Income resourced by treaty	d	d	d	d	d	d
UTILITIES						
All income types	130,807	48,144	188,596	555,959	267	555,692
Passive income	*4,587	*1,910	*0	*19,981	*7,799	*12,182
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*126,221	*46,234	*188,596	*535,978	*-7,532	*543,510
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable Income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [6]			
	Interest	Other				
	(19)	(20)	(21)	(22)	(23)	(24)
CONSTRUCTION						
All income types	11,706	27,261	0	338,685	39,239	299,446
Passive income	522	0	0	16,520	56	16,464
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	117	0	117
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	11,184	19,278	0	299,244	25,931	273,313
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MANUFACTURING						
All income types	25,508,739	20,231,800	8,676,183	201,734,178	16,903,091	184,831,087
Passive income	1,990,356	371,545	0	9,868,834	985,230	8,883,603
High withholding tax interest	146,051	5,859	0	237,575	11,391	226,184
Financial services income	3,879,407	127,128	0	3,282,163	662,123	2,620,041
Shipping income	641,068	152,651	0	-36,925	-376,704	339,780
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	*7	*7	*0	*189	*-27	*217
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	18,816,858	19,572,216	8,676,183	188,176,790	15,620,491	172,556,298
Section 901(j) income	*349	*226	*0	*1,495	*-276	*1,771
Income resourced by treaty	34,643	2,167	0	203,882	864	203,018
WHOLESALE AND RETAIL TRADE						
All income types	1,688,513	1,504,574	113,124	16,551,959	781,818	15,770,141
Passive income	194,503	66,546	0	831,349	102,406	728,943
High withholding tax interest	2,210	3,038	0	59,641	1,997	57,644
Financial services income	*163,442	*35,554	*0	*1,758,644	*-17,916	*1,776,560
Shipping income	*3,819	*1,683	*0	*37,361	*29,511	*7,850
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	1,323,254	1,397,753	113,124	13,858,443	666,325	13,192,118
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*1,285	*1	*0	*6,499	*-505	*7,004
TRANSPORTATION AND WAREHOUSING						
All income types	164,576	149,732	501	2,952,972	50,379	2,902,594
Passive income	5,327	2,504	0	355,182	1,614	353,568
High withholding tax interest	16,537	905	0	11,579	0	11,579
Financial services income	*1,642	*0	*0	*12,441	6	*12,435
Shipping income	*62,499	*65,994	*0	*707,206	5,107	*702,099
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	78,571	80,330	501	1,866,564	43,651	1,822,913
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable Income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [6]			
	Interest	Other				
	(19)	(20)	(21)	(22)	(23)	(24)
INFORMATION						
All income types	1,279,325	6,781,417	0	23,314,958	2,157,278	21,157,681
Passive income	111,408	115,493	0	1,125,008	-121,561	1,246,569
High withholding tax interest	130	24	0	3,631	-2,459	6,090
Financial services income	*21,770	*2	*0	*472,929	*436,399	*36,530
Shipping income	*15,818	*491	*0	*115,636	*70,384	*45,252
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	*0	*131	*0	*-131	*-162	*31
General limitation income	1,129,840	6,665,240	0	21,594,720	1,777,100	19,817,620
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*359	*35	*0	*3,166	*-2,422	*5,588
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	37,988,775	12,136,143	0	44,551,787	4,784,311	39,767,475
Passive income	368,897	198,427	0	2,658,850	344,426	2,314,425
High withholding tax interest	176,522	25,326	0	228,655	-145	228,800
Financial services income	36,960,143	11,089,289	0	38,035,006	2,885,999	35,149,007
Shipping income	*87,767	*2	*0	*-273,872	*-283,356	*9,485
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	395,447	823,099	0	3,903,144	1,837,388	2,065,756
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	36,069,030	15,761,950	26,925	31,284,612	1,281,515	30,003,097
Passive income	66,491	33,893	0	451,710	31,788	419,922
High withholding tax interest	170,164	8,867	0	222,814	205	222,609
Financial services income	34,787,462	12,606,712	0	22,594,661	707,158	21,887,504
Shipping income	*30	*49	*0	*146	*-86	*232
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	1,040,279	3,112,405	26,925	7,708,371	540,026	7,168,345
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*4,604	*0	*0	*11,490	*2,432	*9,058

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Foreign taxes available for credit					
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Foreign taxes paid or accrued	
					Total	Dividends
(25)	(26)	(27)	(28)	(29)	(30)	
ALL INDUSTRIES						
All income types	107,984,124	9,069,147	31,081,543	85,971,728	46,110,517	2,004,993
Passive income	2,045,237	1,212	218,070	1,828,378	848,825	117,556
High withholding tax interest	231,070	0	32,249	198,820	156,351	128
Financial services income	14,581,126	0	1,028,525	13,552,602	8,628,016	600,298
Shipping income	208,602	0	74,855	133,746	105,980	10,062
Dividends from an IC-DISC or former DISC [1]	10	0	0	10	10	10
Miscellaneous separately calculated limitation income	*60	*0	*39	*21	*21	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0
General limitation income	90,662,935	9,067,935	29,590,232	70,140,638	36,331,100	1,266,339
Section 901(j) income	*450	*0	*320	*131	*85	*0
Income resourced by treaty	254,635	0	137,253	117,382	40,129	10,600
AGRICULTURE, FORESTRY, FISHING, AND HUNTING						
All income types	14,953	0	11,168	3,785	3,303	56
Passive income	701	0	157	544	153	55
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	14,252	0	11,011	3,241	3,150	1
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	5,582,985	404,048	1,420,479	4,566,553	3,937,367	278,688
Passive income	84,005	47	8,652	75,400	62,251	127
High withholding tax interest	*2,979	*0	*0	*2,979	*1,745	*0
Financial services income	*0	*0	*0	*0	*0	*0
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	5,413,477	404,000	1,405,028	4,412,449	3,854,390	268,126
Section 901(j) income	*46	*0	*0	*46	*0	*0
Income resourced by treaty	d	d	d	d	d	d
UTILITIES						
All income types	216,478	0	26,170	190,309	119,807	2,532
Passive income	*3,138	*0	*34	*3,104	*2,912	*24
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*213,340	*0	*26,135	*187,205	*116,896	*2,508
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Foreign taxes available for credit					
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Foreign taxes paid or accrued	
					Total	Dividends
(25)	(26)	(27)	(28)	(29)	(30)	
CONSTRUCTION						
All income types	52,470	0	8,758	43,713	24,834	1,698
Passive income	927	0	29	898	330	134
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	7	0	0	7	7	7
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	51,447	0	8,729	42,718	24,408	1,558
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MANUFACTURING						
All income types	74,238,612	8,574,648	25,975,087	56,838,173	28,660,609	793,427
Passive income	1,068,194	961	161,809	907,345	249,634	63,259
High withholding tax interest	59,804	0	7,557	52,247	49,462	25
Financial services income	709,743	0	168,522	541,221	257,661	1,406
Shipping income	66,051	0	49,157	16,894	4,388	[7]
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	*53	*0	*39	*14	*14	*0
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	72,291,552	8,573,687	25,582,082	55,283,157	28,079,889	728,571
Section 901(j) income	*404	*0	*320	*85	*85	*0
Income resourced by treaty	42,812	0	5,601	37,210	19,477	166
WHOLESALE AND RETAIL TRADE						
All income types	4,934,323	68,947	641,886	4,361,383	1,145,201	126,069
Passive income	125,681	0	27,906	97,775	51,712	4,943
High withholding tax interest	9,586	0	2,937	6,649	6,646	0
Financial services income	*111,561	*0	*1,321	*110,239	*42,397	*13,409
Shipping income	*1,253	*0	*113	*1,140	*204	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	4,684,496	68,947	608,971	4,144,472	1,043,281	107,715
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*1,743	*0	*638	*1,105	*957	*0
TRANSPORTATION AND WAREHOUSING						
All income types	565,868	442	114,407	451,904	187,056	12,988
Passive income	105,365	0	146	105,219	914	261
High withholding tax interest	3,211	0	187	3,025	3,025	0
Financial services income	*[7]	*0	*[7]	*[7]	*[7]	*[7]
Shipping income	*138,834	*0	*23,206	*115,628	*101,383	*10,057
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	318,458	442	90,868	228,032	81,734	2,670
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Foreign taxes available for credit					
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Foreign taxes paid or accrued	
					Total	Dividends
	(25)	(26)	(27)	(28)	(29)	(30)
INFORMATION						
All income types	4,163,190	1	1,073,785	3,089,406	1,722,882	73,782
Passive income	129,830	0	6,846	122,984	13,528	5,330
High withholding tax interest	793	0	373	420	420	0
Financial services income	*0	*0	*0	*0	*0	*0
Shipping income	*0	*0	*0	*0	*0	*0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0
General limitation income	3,907,401	1	942,939	2,964,463	1,708,275	68,452
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	*125,166	*0	*123,627	*1,539	*659	*0
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	9,526,352	[7]	713,575	8,812,777	5,375,416	328,366
Passive income	461,659	[7]	4,009	457,650	450,270	40,700
High withholding tax interest	72,326	0	18,699	53,627	52,684	103
Financial services income	8,294,277	0	482,521	7,811,756	4,618,233	273,727
Shipping income	*143	*0	*59	*85	*6	*4
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	697,947	0	208,287	489,660	254,223	13,831
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	8,688,892	21,061	1,096,228	7,613,725	4,934,042	387,388
Passive income	65,737	204	8,483	57,458	17,121	2,723
High withholding tax interest	82,287	0	2,498	79,790	42,286	0
Financial services income	5,465,546	0	376,161	5,089,385	3,709,725	311,757
Shipping income	*2,320	*0	*2,320	*0	*0	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	3,070,566	20,857	706,180	2,385,243	1,164,855	72,908
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*2,435	*0	*586	*1,849	*55	*0

Footnotes at end of table.

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						Taxes deemed paid
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(31)	(32)	(33)	(34)	(35)	(36)	(37)	
ALL INDUSTRIES							
All income types	1,211,579	3,228,564	11,438,566	120,315	557,999	27,548,502	39,861,211
Passive income	459,101	44,055	33,382	141	0	194,591	979,552
High withholding tax interest	156,223	0	0	0	0	0	42,469
Financial services income	222,387	31,528	5,539,888	0	84,830	2,149,086	4,924,585
Shipping income	1,625	11,049	62,344	4,923	356	15,621	27,766
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*0	*15	*0	*0	*6	*0	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	363,695	3,141,833	5,801,562	115,252	472,111	25,170,309	33,809,538
Section 901(j) income	*0	*85	*0	*0	*0	*0	*46
Income resourced by treaty	8,547	1	1,390	0	696	18,896	77,253
AGRICULTURE, FORESTRY, FISHING, AND HUNTING							
All income types	152	185	822	0	1,161	927	482
Passive income	75	2	0	0	0	21	391
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	77	183	822	0	1,161	906	91
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
MINING							
All income types	41,442	20,814	629,431	0	33,302	2,933,690	629,185
Passive income	12,544	0	75	0	0	49,504	13,150
High withholding tax interest	*1,745	*0	*0	*0	*0	*0	*1,234
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	18,605	20,814	629,356	0	33,302	2,884,187	558,059
Section 901(j) income	*0	*0	*0	*0	*0	*0	*46
Income resourced by treaty	d	d	d	d	d	d	d
UTILITIES							
All income types	233	0	109,118	0	0	7,924	70,501
Passive income	*117	*0	*0	*0	*0	*2,771	*192
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	*116	*0	*109,118	*0	*0	*5,154	*70,309
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						Taxes deemed paid
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(31)	(32)	(33)	(34)	(35)	(36)	(37)	
CONSTRUCTION							
All income types	162	1,151	4,195	0	13,132	4,496	18,878
Passive income	30	124	0	0	0	43	568
High withholding tax interest	d	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	49	1,027	4,195	0	13,125	4,454	18,310
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
MANUFACTURING							
All income types	332,238	1,824,227	4,008,125	102,785	110,820	21,488,988	28,177,564
Passive income	30,397	19,175	29,437	141	0	107,224	657,712
High withholding tax interest	49,437	0	0	0	0	0	2,786
Financial services income	23,012	4,873	205,139	0	257	22,975	283,560
Shipping income	0	0	12	0	212	4,165	12,506
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	*0	*14	*0	*0	*0	*0	*0
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	229,392	1,800,081	3,772,583	102,644	109,656	21,336,962	27,203,268
Section 901(j) income	*0	*85	*0	*0	*0	*0	*0
Income resourced by treaty	0	0	954	0	696	17,661	17,734
WHOLESALE AND RETAIL TRADE							
All income types	97,319	168,668	301,475	163	10,532	440,974	3,216,183
Passive income	13,428	10,204	1,640	0	0	21,497	46,062
High withholding tax interest	6,646	0	0	0	0	0	3
Financial services income	*1,203	*0	*20,410	*0	*0	*7,375	*67,842
Shipping income	*0	*0	*188	*0	*0	*15	*937
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	76,042	158,463	278,801	163	10,532	411,565	3,101,190
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	*0	*0	*436	*0	*0	*521	*149
TRANSPORTATION AND WAREHOUSING							
All income types	6,368	19,636	101,743	4,923	26,058	15,341	264,848
Passive income	152	372	1	0	0	128	104,305
High withholding tax interest	3,025	0	0	0	0	0	0
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	*1,625	*11,049	*62,144	*4,923	*144	*11,440	*14,245
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	1,566	8,214	39,598	0	25,914	3,772	146,298
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued

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

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						Taxes deemed paid
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(31)	(32)	(33)	(34)	(35)	(36)	(37)	
INFORMATION							
All income types	9,951	896,612	471,922	8,797	17,826	243,991	1,366,524
Passive income	591	7,472	[7]	0	0	135	109,456
High withholding tax interest	420	0	0	0	0	0	0
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	*0	*0	*0	*0	*0	*0	*0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	8,940	889,140	471,922	8,797	17,826	243,198	1,256,188
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	*0	*0	*0	*0	*0	*659	*880
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING							
All income types	611,075	68,730	2,979,056	313	69,790	1,318,086	3,437,361
Passive income	399,658	4,424	593	0	0	4,896	7,380
High withholding tax interest	52,581	0	0	0	0	0	943
Financial services income	155,961	16,133	2,896,120	0	39,401	1,236,891	3,193,523
Shipping income	*0	*0	*0	*0	*0	*1	*79
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	2,875	48,172	82,344	313	30,389	76,298	235,437
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d	d
SERVICES							
All income types	112,639	228,543	2,832,678	3,333	275,377	1,094,084	2,679,683
Passive income	2,109	2,282	1,636	0	0	8,371	40,337
High withholding tax interest	42,286	0	0	0	0	0	37,504
Financial services income	42,211	10,522	2,418,219	0	45,173	881,843	1,379,660
Shipping income	*0	*0	*0	*0	*0	*0	*0
Dividends from an IC-DISC or former DISC [1]	d	d	d	d	d	d	d
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	26,032	215,739	412,823	3,333	230,204	203,814	1,220,388
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	*0	*0	*0	*0	*0	*55	*1,794

* Data should be used with caution because of the small number of sample returns on which they were based.

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

[1] Interest-Charge Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[2] Foreign Sales Corporation (FSC).

[3] Number of returns from each income type does not sum to the amount for all income types as corporations can have more than one income type.

[4] Included in gross income (less loss) shown in columns 2–8.

[5] Column 17 exceeds the sum of columns 18 through 20 because some corporations do not file a Schedule H to support the not allocable deductions reported on Schedule A.

[6] Included in deductions shown in columns 11–20.

[7] Less than \$500.

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

Corporate Foreign Tax Credit, 2006

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid

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

Selected country	Number of returns [2]	Foreign income, deductions, and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
(1)	(2)	(3)	(4)	(5)	(6)	
All geographic areas	6,947	667,110,481	111,601,806	39,542,156	114,774,299	98,708,506
Canada	2,156	51,363,576	12,832,092	5,039,346	6,703,612	6,827,286
Latin America, total	1,340	76,470,600	13,889,183	4,327,466	21,512,686	8,335,877
Mexico	918	12,991,357	2,449,064	947,691	1,434,093	2,353,849
Central America, total	313	1,467,861	391,599	80,773	256,776	239,196
Costa Rica	135	292,657	70,883	20,721	23,962	102,366
El Salvador	123	186,964	46,902	12,759	38,724	21,150
Guatemala	134	211,601	28,407	11,936	22,462	31,443
Honduras	115	88,976	28,317	4,090	11,437	13,327
Nicaragua	63	22,660	3,141	1,586	2,989	5,329
Panama (including Canal Zone)	189	652,867	210,950	29,330	151,909	65,573
Other Central American countries	25	12,136	3,000	352	5,293	8
Caribbean countries, total	408	32,395,343	6,661,081	1,924,871	16,642,107	1,005,734
Barbados	88	250,350	97,237	4,377	12,681	33,745
Cayman Islands (British)	226	25,997,709	4,214,057	1,312,497	16,476,125	857,644
Dominican Republic	168	2,943,704	2,167,858	515,390	46,225	43,748
Haiti	33	237,127	57,885	13,211	10,593	405
Jamaica	96	403,097	10,286	5,932	59,941	16,115
Trinidad	127	2,487,592	104,608	73,364	36,326	53,236
Other Caribbean countries	37	75,764	9,150	99	216	842
South America, total	828	29,543,456	4,387,412	1,374,131	3,135,521	4,735,767
Argentina	321	3,423,133	180,091	132,863	552,172	337,860
Bolivia	74	131,493	12,152	4,512	4,844	3,729
Brazil	618	8,891,042	1,696,219	520,882	1,097,179	1,736,327
Chile	369	7,886,229	1,542,125	279,223	755,581	140,739
Colombia	363	1,672,759	79,041	45,936	113,900	145,322
Ecuador	175	601,766	45,296	12,802	33,535	39,385
Paraguay	57	39,809	6,528	351	14,378	6,844
Peru	233	3,101,200	93,957	36,257	141,041	2,125,599
Uruguay	109	212,635	34,742	6,994	85,804	23,668
Venezuela	249	3,433,355	667,547	315,872	327,923	169,308
Other South American countries	32	150,034	29,715	18,440	9,164	6,984
Latin America not allocable	33	72,584	27	0	44,189	1,331
Other Western Hemisphere, total	343	18,348,771	10,880,478	1,117,989	2,514,835	1,257,958
Bahamas	114	2,945,768	1,386,152	94,985	1,334,837	37,547
Bermuda	250	13,879,964	9,114,403	988,548	652,338	1,193,874
British Virgin Islands	85	529,187	82,886	10,080	55,067	4,149
Netherlands Antilles	74	776,702	286,022	17,038	445,503	9,383
All other Western Hemisphere	94	217,150	11,014	7,338	27,090	13,005
Europe, total	2,136	262,833,565	51,693,405	20,829,947	54,318,693	36,456,743
European Union, total	2,000	219,659,231	44,292,935	15,702,888	51,166,904	32,200,735
Austria	240	2,465,448	760,778	113,040	93,309	547,095
Belgium	322	6,248,269	676,782	296,859	932,248	762,402
Czech Republic	151	1,411,934	315,976	41,282	34,729	564,054
Denmark	213	4,960,461	1,111,306	1,048,086	290,183	650,851
Finland	210	1,271,125	39,988	10,844	88,125	810,691
France	583	12,192,690	2,096,223	1,108,587	1,335,528	2,708,143
Germany	622	20,130,009	2,957,467	1,216,820	1,611,373	5,014,398

Footnotes at end of table.

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Number of returns [2]	Foreign income, deductions, and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
Europe, total—continued						
European Union, total—continued						
Greece	176	520,998	116,204	50,314	20,321	72,222
Hungary	157	884,095	366,904	29,090	38,877	463,656
Ireland	318	18,927,912	6,312,386	399,841	722,897	8,559,376
Italy	474	5,798,290	881,920	434,012	499,976	1,233,506
Luxembourg	196	9,577,957	5,135,647	1,977,729	1,425,269	249,743
Netherlands	795	18,555,257	6,964,666	2,484,548	1,933,876	3,008,346
Poland	200	961,276	315,516	104,436	75,811	170,588
Portugal	197	1,277,674	551,748	262,356	32,860	243,947
Spain	404	7,496,324	3,589,428	1,515,051	267,788	658,795
Sweden	312	2,341,914	263,365	125,892	198,437	969,094
United Kingdom	1,226	104,291,304	11,758,199	4,466,020	41,541,636	5,432,773
Other European Union countries	158	346,294	78,430	18,082	23,661	81,055
Other European countries, total	625	43,174,334	7,400,470	5,127,059	3,151,789	4,256,008
Jersey	40	1,262,773	371,968	25,458	302,698	16,273
Kazakhstan	118	4,873,658	20,568	6,520	231,824	4,844
Norway	215	17,459,810	1,496,566	3,962,463	1,225,464	151,582
Romania	81	235,955	68,559	20,806	12,895	45,507
Russia	204	2,922,782	85,991	63,886	372,061	244,272
Switzerland	422	12,875,584	4,390,243	836,361	603,015	3,647,624
Turkey	186	875,310	240,950	100,663	134,190	-27,603
Ukraine	73	289,163	44,540	19,936	48,012	32,778
Other European countries	198	2,379,299	681,086	90,965	221,632	140,731
Africa, total	500	20,799,775	2,252,298	1,007,009	1,694,905	921,242
Algeria	47	276,558	48,622	13,214	36,413	5,015
Angola	58	1,682,672	628,747	353,027	3,318	3,350
Chad	16	1,334,461	513,575	168,432	43	0
Egypt	150	1,799,848	72,620	25,531	130,008	83,270
Equatorial Guinea	25	2,809,754	5,381	544	1,512	13,761
Gabon	31	495,405	47,101	26,133	32,094	5,024
Mauritius	64	390,031	201,188	35,435	81,469	32,736
Nigeria	92	5,939,060	94,927	71,311	913,346	3,286
South Africa	365	2,208,627	516,471	296,211	364,976	422,907
Other African countries	185	3,863,359	123,665	17,171	131,726	351,892
Asia, total	1,576	115,970,686	12,920,580	5,209,958	11,894,689	25,519,227
Middle East, total	550	16,749,876	830,264	161,099	1,226,117	570,387
Bahrain	70	924,362	11,271	194	603,684	19,914
Iraq	37	2,274,485	0	0	801	2,646
Israel	364	815,296	194,252	82,057	188,944	149,353
Kuwait	87	580,170	195,499	2,260	3,655	4,895
Lebanon	75	49,799	1,738	33	13,164	12,543
Qatar	86	4,024,552	130,222	49,426	122,315	39,986
Saudi Arabia	195	4,560,511	102,999	8,055	47,351	167,236
United Arab Emirates	150	2,309,129	114,683	5,614	231,506	126,144
Yemen	25	903,140	36,000	13,421	247	2,725
Other Middle East countries	93	308,432	43,600	38	14,450	44,946

Footnotes at end of table.

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Number of returns [2]	Foreign income, deductions, and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
(1)	(2)	(3)	(4)	(5)	(6)	
Southern and Southeast Asia, total	812	32,464,855	4,116,245	1,056,367	4,426,384	6,881,477
Bangladesh	35	102,603	95	16	21,252	1,839
India	417	3,770,181	271,482	70,111	1,207,536	417,515
Indonesia	226	5,839,996	658,525	269,817	666,572	128,899
Malaysia	308	3,933,330	328,935	55,316	137,894	1,276,571
Pakistan	113	638,261	26,811	14,001	163,882	10,571
Philippines	232	1,404,519	222,462	88,960	460,676	135,343
Singapore	468	12,211,276	1,741,552	158,781	918,771	4,609,646
Sri Lanka	41	75,703	1,524	913	16,935	7,768
Thailand	302	3,419,346	837,786	394,467	767,972	217,098
Vietnam	91	157,718	5,355	1,998	35,621	17,691
Other Southern and Southeast Asian countries	97	911,922	21,719	1,987	29,273	58,536
Eastern Asia, total	1,179	66,723,854	7,974,071	3,992,492	6,232,355	18,046,363
China	531	11,024,983	1,559,569	332,511	851,384	5,248,889
Hong Kong	433	9,366,072	1,678,663	247,894	2,249,782	635,700
Japan	790	34,124,472	3,142,306	2,972,689	1,652,902	7,652,712
South Korea, Republic of	431	6,898,215	1,340,529	354,459	859,275	2,370,207
Taiwan	399	5,274,819	252,919	84,912	618,958	2,124,423
Other Eastern Asian countries	32	35,292	85	26	55	14,431
Asia not allocable	*8	*32,100	*0	*0	*9,833	*21,000
Oceania, total	729	18,030,166	4,207,312	1,425,446	3,183,001	1,823,569
Australia	659	16,554,939	3,931,055	1,343,280	2,882,951	1,591,979
New Zealand	296	1,199,992	206,043	76,933	285,622	228,238
Other countries of Oceania	89	275,235	70,214	5,233	14,428	3,352
Puerto Rico and U.S. Possessions, total	523	19,248,274	729,077	202,458	974,506	12,916,472
Puerto Rico	445	18,296,981	493,103	183,520	786,458	12,882,220
U.S. Possessions, total	191	951,293	235,975	18,938	188,048	34,253
American Samoa	18	23,473	0	0	5,540	16,482
Guam	121	397,571	24,134	11,957	128,391	6,829
Virgin Islands, U.S.	108	496,614	211,802	6,973	36,194	9,891
Other U.S. Possessions	25	33,636	38	7	17,923	1,051
Country not stated	3,318	46,011,422	1,924,318	382,538	11,923,515	4,628,228
Section 863(b) income	273	37,760,584	0	0	53,858	21,905
Foreign Sales Corporation dividends [1]	*6	*272,750	*272,750	*0	*0	*0
Interest-Charge Domestic International Sales Corporation dividends [1]	35	313	313	0	0	0

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [4]
	Service income	Other income	Oil and gas extraction income [3]	Foreign branch income [3]		
(7)	(8)	(9)	(10)	(11)	(12)	
All geographic areas	36,404,092	266,079,622	72,232,676	145,989,673	331,564,999	11,477,820
Canada	3,577,832	16,383,409	6,953,486	9,712,126	21,330,370	1,587,234
Latin America, total	2,352,362	26,053,027	7,402,296	13,574,508	37,134,094	1,839,139
Mexico	662,680	5,143,980	174	2,915,143	6,756,535	45
Central America, total	28,638	470,879	15	250,372	803,010	0
Costa Rica	5,434	69,292	0	47,092	144,703	0
El Salvador	5,261	62,169	0	38,207	77,433	0
Guatemala	3,913	113,440	0	26,039	127,860	0
Honduras	3,951	27,854	0	53,237	50,296	0
Nicaragua	586	9,030	0	6,972	10,234	0
Panama (including Canal Zone)	7,722	187,384	15	77,074	389,740	0
Other Central American countries	1,772	1,711	0	1,752	2,744	0
Caribbean countries, total	595,031	5,566,520	3,239,861	2,155,234	18,937,491	745,236
Barbados	1,206	101,105	1	8,333	97,838	2
Cayman Islands (British)	89,524	3,047,862	1,667,209	1,497,289	17,002,840	53,397
Dominican Republic	11,523	158,959	0	129,944	158,200	0
Haiti	95,871	59,163	0	125,563	182,141	0
Jamaica	212,132	98,690	0	197,643	379,767	0
Trinidad	113,649	2,106,409	1,572,651	182,056	910,262	550,407
Other Caribbean countries	71,125	-5,668	0	14,407	206,442	141,431
South America, total	1,066,013	14,844,611	4,162,246	8,246,919	10,583,668	1,093,858
Argentina	64,751	2,155,396	1,199,298	1,055,219	1,945,629	683,121
Bolivia	47,196	59,058	2,533	10,949	75,022	77
Brazil	380,529	3,459,906	89,690	2,043,309	3,387,891	17,568
Chile	72,924	5,095,637	15	760,942	1,877,139	0
Colombia	230,558	1,058,001	471,320	304,636	982,900	74,298
Ecuador	48,959	421,790	251,875	144,034	355,736	157,834
Paraguay	274	11,433	0	11,484	21,066	0
Peru	153,299	551,048	135,433	2,388,832	1,090,707	14,127
Uruguay	5,641	55,786	0	90,638	139,748	9,599
Venezuela	51,255	1,901,451	2,012,081	1,358,738	612,011	137,234
Other South American countries	10,627	75,104	0	78,138	95,819	0
Latin America not allocable	0	27,037	0	6,839	53,390	0
Other Western Hemisphere, total	376,355	2,201,157	916,286	1,521,142	6,223,172	18,630
Bahamas	9,289	82,958	159,230	1,412,646	2,323,865	760
Bermuda	326,403	1,604,398	757,055	63,889	3,353,753	17,870
British Virgin Islands	953	376,053	0	25,630	284,494	0
Netherlands Antilles	13,842	4,913	0	6,230	145,463	0
All other Western Hemisphere	25,868	132,836	0	12,747	115,597	0
Europe, total	11,442,986	88,091,792	31,063,846	66,218,144	116,404,267	2,780,784
European Union, total	10,671,238	65,624,533	13,371,928	56,860,171	105,762,529	1,731,803
Austria	31,815	919,412	14	248,537	1,074,888	21
Belgium	130,230	3,449,747	0	1,376,138	4,603,251	0
Czech Republic	23,179	432,714	10	407,226	793,908	11
Denmark	49,431	1,810,604	2,591,043	320,401	953,287	75,992
Finland	33,483	287,994	0	131,354	652,757	0
France	992,577	3,951,632	6,923	2,362,802	6,353,809	7,996
Germany	3,103,726	6,226,225	264	6,548,529	12,637,118	305

Footnotes at end of table.

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [4]
	Service income	Other income	Oil and gas extraction income [3]	Foreign branch income [3]		
	(7)	(8)	(9)	(10)	(11)	(12)
Europe, total—continued						
European Union, total—continued						
Greece	106,014	155,923	0	107,332	286,612	0
Hungary	23,031	-37,462	0	51,870	314,181	0
Ireland	246,670	2,686,742	1,009	1,046,365	7,055,294	13
Italy	971,397	1,777,479	907	1,603,702	3,967,598	4,198
Luxembourg	141,765	647,804	279,607	94,707	1,503,330	0
Netherlands	217,211	3,946,610	140,797	1,071,108	6,225,621	32,838
Poland	38,023	256,902	0	248,429	1,378,851	0
Portugal	46,875	139,888	565,044	156,526	362,779	22,420
Spain	448,942	1,016,320	1,230,244	987,476	2,050,364	863
Sweden	81,163	703,963	47	323,143	968,558	54
United Kingdom	3,967,099	37,125,577	8,556,019	39,680,640	54,365,386	1,587,087
Other European Union countries	18,607	126,459	0	93,888	214,937	6
Other European countries, total	771,748	22,467,259	17,691,918	9,357,973	10,641,737	1,048,981
Jersey	3	546,373	0	134,362	722,293	0
Kazakhstan	100,543	4,509,359	4,396,854	178,794	754,484	348,788
Norway	99,113	10,524,622	12,372,297	5,537,421	1,744,097	609,723
Romania	-269	88,457	613	52,621	112,966	707
Russia	72,171	2,084,400	285,783	1,697,476	1,907,369	87,825
Switzerland	317,397	3,080,944	36	1,307,526	4,204,114	59
Turkey	26,652	400,458	322	260,549	460,862	323
Ukraine	8,869	135,029	-12	8,400	109,722	0
Other European countries	147,269	1,097,617	636,025	180,824	625,830	1,556
Africa, total	953,801	13,970,519	12,431,137	3,345,141	6,052,513	2,553,216
Algeria	24,485	148,808	30,775	198,393	86,736	1,397
Angola	228,487	465,742	1,166,552	351,695	558,022	221,696
Chad	160	652,251	1,236,500	12,979	80,750	25,097
Egypt	118,931	1,369,488	846,526	471,595	947,143	435,735
Equatorial Guinea	48,426	2,740,129	2,722,218	435,834	227,466	165,360
Gabon	3,586	381,468	129,931	114,433	26,534	1,548
Mauritius	142	39,061	0	21,084	149,621	0
Nigeria	136,267	4,719,923	3,947,933	310,197	354,414	88,761
South Africa	80,473	527,588	2	637,466	1,140,240	2
Other African countries	312,844	2,926,060	2,350,701	791,463	2,481,586	1,613,621
Asia, total	6,911,387	53,514,844	9,748,835	34,211,196	59,318,530	1,239,544
Middle East, total	3,220,823	10,741,187	5,639,332	2,796,702	7,018,057	634,670
Bahrain	95,344	193,954	-979	715,591	366,642	61
Iraq	2,240,589	30,450	0	410,121	2,023,437	0
Israel	124,458	76,232	0	157,019	445,229	0
Kuwait	236,462	137,398	1,304	145,965	295,535	1,344
Lebanon	5,774	16,548	0	27,159	41,126	0
Qatar	79,364	3,603,238	2,849,098	130,194	597,981	186,902
Saudi Arabia	234,513	4,000,358	1,940,611	254,175	1,215,629	198,919
United Arab Emirates	75,256	1,755,926	323,260	734,126	1,515,236	142,697
Yemen	669	850,079	484,589	133,871	334,748	101,890
Other Middle East countries	128,395	77,003	41,449	88,481	182,493	2,858

Footnotes at end of table.

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [4]
	Service income	Other income	Oil and gas extraction income [3]	Foreign branch income [3]		
(7)	(8)	(9)	(10)	(11)	(12)	
Southern and Southeast Asia, total	1,910,588	14,073,793	3,375,929	9,173,113	14,854,838	479,930
Bangladesh	585	78,817	5,345	71,686	62,623	6,884
India	348,268	1,455,268	18	2,045,451	2,509,569	20
Indonesia	103,186	4,012,996	784,628	1,036,466	2,304,460	259,187
Malaysia	45,408	2,089,205	993,538	249,942	1,044,403	-18,119
Pakistan	13,746	409,249	245,377	234,420	265,346	73,119
Philippines	74,692	422,387	795	685,881	616,599	806
Singapore	487,571	4,294,956	594	3,650,807	5,921,507	701
Sri Lanka	7,353	41,209	0	30,966	41,575	0
Thailand	81,910	1,120,114	1,343,978	897,396	1,218,239	167,708
Vietnam	46,731	50,321	1,656	86,096	97,179	1,284
Other Southern and Southeast Asian countries	701,138	99,269	0	184,003	773,337	-11,660
Eastern Asia, total	1,779,970	28,698,603	733,574	22,241,381	37,444,270	124,944
China	352,375	2,680,255	727,391	2,189,220	5,097,666	117,926
Hong Kong	327,641	4,226,392	115	2,717,051	6,104,763	132
Japan	281,477	18,422,386	3,827	14,211,305	20,069,669	4,298
South Korea, Republic of	410,975	1,562,770	2,240	1,215,377	3,088,434	2,588
Taiwan	391,316	1,802,291	0	1,905,466	3,056,002	0
Other Eastern Asian countries	16,187	4,509	0	2,963	27,737	0
Asia not allocable	*6	*1,262	*0	*0	*1,365	*0
Oceania, total	525,373	6,865,466	3,122,371	5,095,926	7,996,554	308,264
Australia	504,257	6,301,417	3,002,269	4,749,349	7,368,808	294,287
New Zealand	15,432	387,725	4	222,761	560,286	9
Other countries of Oceania	5,685	176,324	120,098	123,815	67,460	13,968
Puerto Rico and U.S. Possessions, total	511,445	3,914,315	0	2,858,369	7,498,020	0
Puerto Rico	359,572	3,592,109	0	2,454,942	6,787,157	0
U.S. Possessions, total	151,873	322,206	0	403,427	710,863	0
American Samoa	618	833	0	5,356	13,928	0
Guam	55,620	170,639	0	245,251	259,386	0
Virgin Islands, U.S.	82,254	149,499	0	137,678	405,733	0
Other U.S. Possessions	13,381	1,235	0	15,142	31,816	0
Country not stated	6,832,362	20,320,461	594,419	9,453,121	48,827,430	1,151,008
Section 863(b) income	2,920,189	34,764,632	0	0	20,739,408	0
Foreign Sales Corporation dividends [1]	*0	*0	*0	*0	*40,642	*0
Interest-Charge Domestic International Sales Corporation dividends [1]	0	0	0	0	0	0

Footnotes at end of table.

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on—		
			Dividends	Interest	Rents, royalties, and license fees	
	(13)	(14)	(15)	(16)	(17)	(18)
All geographic areas	335,545,482	85,971,728	46,110,517	2,004,993	1,211,579	3,228,564
Canada	30,033,206	8,182,513	3,110,657	312,095	210,850	222,848
Latin America, total	39,336,506	10,393,429	6,042,210	502,142	140,297	582,531
Mexico	6,234,821	1,576,639	631,808	5,456	75,771	164,482
Central America, total	664,851	151,210	70,333	5,550	1,552	25,605
Costa Rica	147,954	29,665	8,944	1,430	58	5,357
El Salvador	109,532	21,614	8,855	0	196	3,799
Guatemala	83,741	33,527	21,590	209	43	9,658
Honduras	38,679	11,997	7,907	0	132	3,003
Nicaragua	12,426	5,367	3,781	0	28	1,119
Panama (including Canal Zone)	263,127	47,624	18,191	3,461	1,095	2,668
Other Central American countries	9,392	1,416	1,064	450	0	0
Caribbean countries, total	13,457,853	2,658,468	711,014	9,909	1,245	8,104
Barbados	152,512	6,924	2,547	87	3	267
Cayman Islands (British)	8,994,869	1,335,265	185	2	178	-3
Dominican Republic	2,785,503	537,141	21,751	1,211	241	4,898
Haiti	54,986	19,944	6,733	2,188	0	1
Jamaica	23,330	22,925	16,993	408	156	859
Trinidad	1,577,330	735,375	662,011	6,013	453	2,083
Other Caribbean countries	-130,678	894	795	0	215	0
South America, total	18,959,787	6,006,811	4,628,755	481,225	61,730	384,340
Argentina	1,477,504	617,067	481,654	16,515	10,983	75,312
Bolivia	56,470	12,677	8,165	1,917	172	718
Brazil	5,503,151	1,343,266	821,905	263,446	30,734	195,528
Chile	6,009,090	1,833,201	1,553,083	185,318	3,098	35,730
Colombia	689,859	318,751	272,814	8,762	119	42,880
Ecuador	246,031	50,653	37,850	1,673	998	9,143
Paraguay	18,742	2,626	2,274	41	5	1,390
Peru	2,010,493	913,087	876,830	1,509	11,912	12,420
Uruguay	72,886	15,279	8,284	3	0	1,910
Venezuela	2,821,345	856,373	540,502	2,042	3,708	9,229
Other South American countries	54,215	43,833	25,393	0	0	79
Latin America not allocable	19,193	300	300	1	0	0
Other Western Hemisphere, total	12,125,600	1,134,087	8,157	1,721	49	2,467
Bahamas	621,903	95,015	30	0	0	30
Bermuda	10,526,211	998,535	2,065	775	12	0
British Virgin Islands	244,693	11,568	1,488	1	0	0
Netherlands Antilles	631,239	17,675	617	582	0	-6
All other Western Hemisphere	101,553	11,294	3,956	363	37	2,444
Europe, total	146,429,299	37,819,976	16,811,702	607,695	504,257	329,748
European Union, total	113,896,702	24,224,392	8,354,832	467,344	501,786	311,609
Austria	1,390,560	172,792	59,753	6,732	7	3,509
Belgium	1,645,017	432,590	135,620	14,981	2,448	1,847
Czech Republic	618,026	61,860	20,538	1,863	8	5,168
Denmark	4,007,175	1,565,518	517,373	1,125	67	4,324
Finland	618,368	61,186	50,358	2,312	76	39,350
France	5,838,881	1,574,535	465,379	69,004	241	60,111
Germany	7,492,891	1,971,745	754,792	78,464	192	8,334

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on—		
			Dividends	Interest	Rents, royalties, and license fees	
	(13)	(14)	(15)	(16)	(17)	(18)
Europe, total—continued						
European Union, total—continued						
Greece	234,386	84,482	34,168	324	68	820
Hungary	569,914	33,208	4,107	763	384	30
Ireland	11,872,618	917,257	444,158	1,231	4,211	375
Italy	1,830,692	720,503	286,216	22,728	11,962	80,321
Luxembourg	8,074,627	2,111,882	134,153	17,265	180	2,394
Netherlands	12,329,636	3,030,811	478,879	34,777	125	24,029
Poland	-417,575	140,476	36,040	11,828	40	10,016
Portugal	914,894	292,704	30,347	673	1,893	10,956
Spain	5,445,961	1,653,192	138,141	17,834	2,017	45,152
Sweden	1,373,356	158,538	32,629	6,982	223	479
United Kingdom	49,925,918	9,210,881	4,720,033	177,140	477,488	11,588
Other European Union countries	131,357	30,232	12,150	1,317	157	2,805
Other European countries, total	32,532,597	13,595,583	8,456,870	140,351	2,470	18,139
Jersey	540,480	31,577	6,118	0	0	0
Kazakhstan	4,119,174	1,333,138	1,326,618	586	601	155
Norway	15,715,713	10,647,084	6,684,618	3,610	142	149
Romania	122,989	32,178	11,372	6,924	3	3,559
Russia	1,015,413	261,665	197,779	1,978	5	585
Switzerland	8,671,470	1,018,906	170,893	114,302	1,282	2,949
Turkey	414,448	127,021	26,358	8,474	111	4,498
Ukraine	179,441	26,008	6,071	1,940	0	2,422
Other European countries	1,753,469	118,009	27,044	2,538	325	3,821
Africa, total	14,747,262	6,571,361	5,564,263	4,283	608	13,875
Algeria	189,822	53,293	40,079	0	0	111
Angola	1,124,650	373,806	20,778	0	0	0
Chad	1,253,711	375,709	207,278	0	0	7
Egypt	852,705	254,015	228,484	8	0	2,371
Equatorial Guinea	2,582,288	816,408	815,864	0	0	0
Gabon	468,871	62,447	36,315	0	0	0
Mauritius	240,410	44,568	9,132	0	0	-59
Nigeria	5,584,646	3,852,485	3,781,174	3,164	0	1,874
South Africa	1,068,387	344,784	48,484	61	52	1,183
Other African countries	1,381,773	393,846	376,675	1,050	556	8,390
Asia, total	56,652,156	15,548,362	10,317,750	382,531	87,161	1,235,078
Middle East, total	9,731,820	3,007,544	2,838,557	20,387	7,013	30,644
Bahrain	557,720	1,515	1,321	0	2	1
Iraq	251,048	0	0	0	0	0
Israel	370,066	161,705	71,761	15,276	1,897	10,849
Kuwait	284,635	37,322	35,061	337	0	7,737
Lebanon	8,673	2,517	2,484	1	0	70
Qatar	3,426,571	755,982	706,555	0	0	0
Saudi Arabia	3,344,882	1,745,280	1,737,225	2,860	5,114	9,591
United Arab Emirates	793,893	92,498	86,883	0	0	18
Yemen	568,392	198,011	184,590	1,813	0	2,138
Other Middle East countries	125,939	12,716	12,677	99	0	241

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on—		
				Dividends	Interest	Rents, royalties, and license fees
(13)	(14)	(15)	(16)	(17)	(18)	
Southern and Southeast Asia, total	17,610,017	4,156,940	3,095,399	210,931	60,863	225,305
Bangladesh	39,980	19,723	19,707	389	0	15
India	1,260,612	393,928	323,700	4,705	2,774	66,316
Indonesia	3,535,536	1,610,515	1,341,043	152,918	19,136	13,311
Malaysia	2,888,927	750,426	695,091	1,885	7,437	46,850
Pakistan	372,915	79,580	65,579	771	0	1,503
Philippines	787,920	216,187	127,223	30,093	700	16,220
Singapore	6,289,770	368,848	204,689	1,006	4,066	58,751
Sri Lanka	34,127	6,662	5,749	138	0	247
Thailand	2,201,107	701,148	306,682	19,026	26,708	21,133 ²
Vietnam	60,538	6,120	4,122	0	41	704
Other Southern and Southeast Asian countries	138,585	3,802	1,816	1	0	256 ²
Eastern Asia, total	29,279,584	8,383,877	4,383,793	151,213	19,285	979,128
China	5,927,317	688,891	355,097	14,907	2,469	219,413
Hong Kong	3,261,309	566,161	318,119	731	91	17,994
Japan	14,054,804	5,524,870	2,548,220	25,791	5,587	20,735
South Korea, Republic of	3,809,781	1,000,167	645,433	63,984	5,158	398,429
Taiwan	2,218,818	603,643	516,804	45,800	5,945	322,472
Other Eastern Asian countries	7,555	146	120	-	35	86
Asia not allocable	*30,735	*0	*0	*0	*0	*0
Oceania, total	10,033,611	2,682,128	1,255,582	36,912	202,801	73,665
Australia	9,186,130	2,481,791	1,137,410	23,953	173,474	65,180
New Zealand	639,706	143,029	66,096	8,849	27,838	8,347
Other countries of Oceania	207,775	57,308	52,075	4,110	1,488	138
Puerto Rico and U.S. Possessions, total	11,750,254	1,083,081	868,669	17,170	602	575,982
Puerto Rico	11,509,824	1,021,118	826,420	17,087	602	571,647
U.S. Possessions, total	240,430	61,963	42,249	83	0	4,335
American Samoa	9,545	652	652	0	0	0
Guam	138,185	45,519	32,786	0	0	3,892
Virgin Islands, U.S.	90,881	14,915	7,941	83	0	319
Other U.S. Possessions	1,820	876	869	0	0	125
Country not stated	-2,816,008	2,436,467	2,011,203	140,434	64,954	192,369
Section 863(b) income	17,021,176	120,315	120,315	0	0	0
Foreign Sales Corporation dividends [1]	*232,108	*0	*0	*0	*0	*0
Interest-Charge Domestic International Sales Corporation dividends [1]	313	10	10	10	0	0

Corporate Foreign Tax Credit, 2006

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid—continued				
	Foreign taxes paid or accrued—continued				Taxes deemed paid
	Other taxes paid or accrued on—				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(19)	(20)	(21)	(22)	(23)	
All geographic areas	11,438,566	120,315	557,999	27,548,502	39,861,211
Canada	1,145,579	0	81,081	1,138,204	5,071,855
Latin America, total	1,479,759	0	88,470	3,249,010	4,351,219
Mexico	285,633	0	7,259	93,206	944,832
Central America, total	16,556	0	4,778	16,293	80,877
Costa Rica	574	0	548	976	20,721
El Salvador	2,570	0	600	1,691	12,759
Guatemala	2,720	0	2,417	6,542	11,937
Honduras	1,657	0	165	2,950	4,090
Nicaragua	2,078	0	35	522	1,586
Panama (including Canal Zone)	6,428	0	927	3,612	29,433
Other Central American countries	528	0	86	0	352
Caribbean countries, total	42,988	0	2,747	646,021	1,947,454
Barbados	2,164	0	20	6	4,377
Cayman Islands (British)	0	0	0	8	1,335,080
Dominican Republic	13,549	0	676	1,177	515,390
Haiti	4,544	0	0	0	13,211
Jamaica	14,600	0	436	534	5,932
Trinidad	8,131	0	1,616	643,716	73,364
Other Caribbean countries	0	0	0	580	99
South America, total	1,134,582	0	73,686	2,493,192	1,378,057
Argentina	64,364	0	10,640	303,839	135,413
Bolivia	1,062	0	3,168	1,127	4,512
Brazil	119,809	0	26,311	186,077	521,361
Chile	24,635	0	6,616	1,297,686	280,118
Colombia	55,329	0	6,953	158,771	45,936
Ecuador	7,362	0	7,705	10,970	12,802
Paraguay	517	0	15	306	351
Peru	817,989	0	10,155	22,846	36,257
Uruguay	4,341	0	1,604	426	6,995
Venezuela	14,013	0	406	511,104	315,872
Other South American countries	25,161	0	113	41	18,440
Latin America not allocable	0	0	0	299	0
Other Western Hemisphere, total	2,163	0	68	1,687	1,125,930
Bahamas	0	0	0	0	94,985
Bermuda	0	0	0	1,278	996,470
British Virgin Islands	1,466	0	21	0	10,080
Netherlands Antilles	0	0	0	41	17,057
All other Western Hemisphere	697	0	47	368	7,338
Europe, total	3,201,934	0	264,216	11,903,852	21,008,274
European Union, total	2,670,546	0	249,100	4,154,446	15,869,560
Austria	12,141	0	101	37,264	113,040
Belgium	110,448	0	1,864	4,032	296,970
Czech Republic	11,212	0	438	1,848	41,322
Denmark	30,099	0	0	481,757	1,048,145
Finland	6,144	0	0	2,477	10,828
France	267,821	0	6,632	61,571	1,109,156
Germany	380,417	0	161,911	125,475	1,216,954

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid—continued				
	Foreign taxes paid or accrued—continued				Taxes deemed paid
	Other taxes paid or accrued on—				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(19)	(20)	(21)	(22)	(23)	
Europe, total—continued					
European Union, total—continued					
Greece	32,084	0	73	799	50,314
Hungary	2,143	0	0	787	29,101
Ireland	34,073	0	557	403,710	473,099
Italy	146,420	0	17,939	6,846	434,288
Luxembourg	78,430	0	17	35,866	1,977,729
Netherlands	238,334	0	1,163	180,452	2,551,932
Poland	11,710	0	85	2,361	104,436
Portugal	15,434	0	909	483	262,356
Spain	40,393	0	9,305	23,440	1,515,051
Sweden	22,781	0	0	2,163	125,909
United Kingdom	1,225,994	0	48,078	2,779,744	4,490,848
Other European Union countries	4,468	0	30	3,372	18,082
Other European countries, total	531,388	0	15,116	7,749,406	5,138,713
Jersey	257	0	0	5,862	25,458
Kazakhstan	338,427	0	5,631	981,217	6,520
Norway	14,974	0	33	6,665,709	3,962,466
Romania	540	0	171	174	20,806
Russia	116,423	0	823	77,965	63,886
Switzerland	47,436	0	921	4,003	848,013
Turkey	6,641	0	430	6,204	100,663
Ukraine	1,709	0	0	0	19,936
Other European countries	4,981	0	7,107	8,272	90,965
Africa, total	344,467	0	22,318	5,178,712	1,007,099
Algeria	36,551	0	2,927	490	13,214
Angola	14,655	0	6,053	71	353,027
Chad	3,599	0	0	203,672	168,432
Egypt	18,473	0	1,102	206,530	25,531
Equatorial Guinea	84,003	0	3,841	728,020	544
Gabon	35,570	0	552	192	26,133
Mauritius	5,854	0	0	3,337	35,435
Nigeria	25,824	0	5,981	3,744,332	71,311
South Africa	35,665	0	198	11,326	296,300
Other African countries	84,274	0	1,664	280,741	17,171
Asia, total	3,852,087	0	62,946	4,697,948	5,230,611
Middle East, total	782,996	0	4,933	1,992,585	168,987
Bahrain	1,318	0	0	0	194
Iraq	0	0	0	0	0
Israel	41,034	0	1,104	1,602	89,945
Kuwait	15,603	0	420	10,964	2,260
Lebanon	2,382	0	0	30	33
Qatar	598,415	0	74	108,066	49,426
Saudi Arabia	53,642	0	2,994	1,663,025	8,055
United Arab Emirates	30,473	0	262	56,131	5,614
Yemen	28,731	0	0	151,907	13,421
Other Middle East countries	11,397	0	80	860	38

Footnotes at end of table.

Corporate Foreign Tax Credit, 2006

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Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2006: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued

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

Selected country	Foreign income, deductions, and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid—continued				
	Foreign taxes paid or accrued—continued				Taxes deemed paid
	Other taxes paid or accrued on—				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
(19)	(20)	(21)	(22)	(23)	
Southern and Southeast Asia, total	627,474	0	33,735	1,937,092	1,061,541
Bangladesh	19,303	0	0	0	16
India	194,670	0	19,394	35,841	70,228
Indonesia	114,670	0	3,001	1,038,007	269,472
Malaysia	14,141	0	1,553	623,224	55,335
Pakistan	4,092	0	148	59,064	14,001
Philippines	63,557	0	1,011	15,641	88,965
Singapore	109,990	0	2,883	27,993	164,159
Sri Lanka	5,110	0	12	242	913
Thailand	99,081	0	4,158	136,576	394,467
Vietnam	1,429	0	1,519	430	1,998
Other Southern and Southeast Asian countries	1,432	0	55	73	1,987
Eastern Asia, total	2,441,617	0	24,278	768,271	4,000,084
China	73,390	0	5,075	39,843	333,794
Hong Kong	107,593	0	1,169	190,541	248,042
Japan	2,048,067	0	3,371	444,669	2,976,650
South Korea, Republic of	107,381	0	4,871	65,610	354,734
Taiwan	105,187	0	9,792	27,609	86,839
Other Eastern Asian countries	-	0	0	0	26
Asia not allocable	*0	*0	*0	*0	*0
Oceania, total	406,620	0	10,136	525,448	1,426,546
Australia	340,845	0	9,784	524,174	1,344,381
New Zealand	22,105	0	345	-1,388	76,933
Other countries of Oceania	43,669	0	8	2,662	5,233
Puerto Rico and U.S. Possessions, total	204,912	0	9,909	60,094	214,412
Puerto Rico	172,503	0	7,794	56,788	194,698
U.S. Possessions, total	32,409	0	2,115	3,306	19,714
American Samoa	650	0	0	2	0
Guam	24,417	0	1,676	2,801	12,733
Virgin Islands, U.S.	6,620	0	417	503	6,973
Other U.S. Possessions	722	0	22	0	7
Country not stated	801,045	0	18,854	793,546	425,264
Section 863(b) income	0	120,315	0	0	0
Foreign Sales Corporation dividends [1]	*0	*0	*0	*0	*0
Interest-Charge Domestic International Sales Corporation dividends [1]	0	0	0	0	0

* Data should be used with caution because of the small number of sample returns on which they are based.

[1] Dividends from an Interest-Charge Domestic International Sales Corporation or a Foreign Sales Corporation were not reported for specific foreign countries.

[2] Total number of returns may not equal the sum of returns for specific areas or countries because a return could include two or more countries.

[3] Included in gross income (less loss), columns 2-8.

[4] Included in total deductions, column 11.

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

Statistics of Income Studies of International Income and Taxes

by Melissa Costa and Nuria E. McGrath

The United States generally taxes U.S. persons on their worldwide income and foreign persons on their U.S.-source income or the portion of their income that, by definition, is considered to be connected with a U.S. source. A U.S. person is any citizen or resident of the United States, a domestic partnership or corporation, or any estate or trust that is not considered foreign. Any person who does not fit the definition of a U.S. person is considered a foreign person.¹

The Statistics of Income (SOI) Division of the IRS conducts 15 studies of international income and taxes. These studies provide data on the foreign activity of U.S. persons, as well as the U.S. activity of foreign persons. Table 1 lists the data sources for each of the studies mentioned in this article, as well as the current frequency of each study. Data for recent study years can be found on SOI's Web pages (www.irs.gov/taxstats).

Foreign Activities of U.S. Persons

Corporate Foreign Tax Credit

In 1918, Congress designed the corporate foreign tax credit provisions Federal tax law to prevent potential double taxation on the foreign-source income of U.S. corporations, as U.S. corporations are taxed on their worldwide income. Double taxation occurs when an item of income is taxed by both the United States, as a corporation's country of residence, as well as by the country from which the income originates. The current provisions allow U.S. businesses to credit their foreign taxes paid, accrued, or deemed paid against their U.S. income tax liability. Currently, the credit is limited to the amount of U.S. tax a corporation would have otherwise paid on foreign-source taxable income. This limitation prevents taxpayers from using taxes paid at higher tax rates than the

U.S. rate to offset their tax liability on other U.S. income. Taxes that exceed the limitation can be carried back for 1 year or carried forward for 10 years.

Corporations are required to calculate the credit separately for different income categories to prevent taxpayers from shifting nonbusiness, lower-taxed income (for example, investment income) overseas. Typically, these investments generate additional foreign income, but incur minimal tax liability, effectively increasing the limitation on the foreign tax credit. Segregation of this low-taxed, nonbusiness income from other foreign income limits U.S. corporations from arranging foreign investments at the expense of U.S. tax revenue.²

In recent years, both foreign-source taxable income and worldwide income have increased significantly among corporations that claimed a foreign tax credit. Between Tax Years 2002 and 2004, real foreign-source taxable income rose from \$180 billion to \$258 billion, or 43 percent, for corporations that claimed a foreign tax credit (Figure A).³ Much of the 61-percent increase in real foreign-source taxable income from Tax Year 2004 to 2005 for corporations that claimed a foreign tax credit can be attributed to the one-time repatriation tax holiday. This tax holiday allowed taxpayers to deduct 85 percent of qualifying dividends received from their controlled foreign corporations (CFCs) from their U.S. taxable income. Most claimed the tax holiday for 2005. The result of the holiday was a real increase in foreign-source taxable income for corporations that claimed a foreign tax credit, from \$258 billion in Tax Year 2004 to \$415 billion in Tax Year 2005. The one-time repatriation tax holiday also influenced worldwide taxable income as there was a 44-percent increase from Tax Year 2004 to 2005 for corporations that claimed a foreign tax credit. Conversely, since most corporations claimed the tax holiday for 2005, there was a mere 3.5-percent increase in real worldwide taxable income from Tax Year 2005 to 2006.

Melissa Costa and Nuria E. McGrath are economists with the Special Studies Returns Analysis Section. This article was prepared under the direction of Chris Carson, Chief.

¹ For more complete definitions of U.S. persons and foreign persons, see Internal Revenue Code Section 7701.

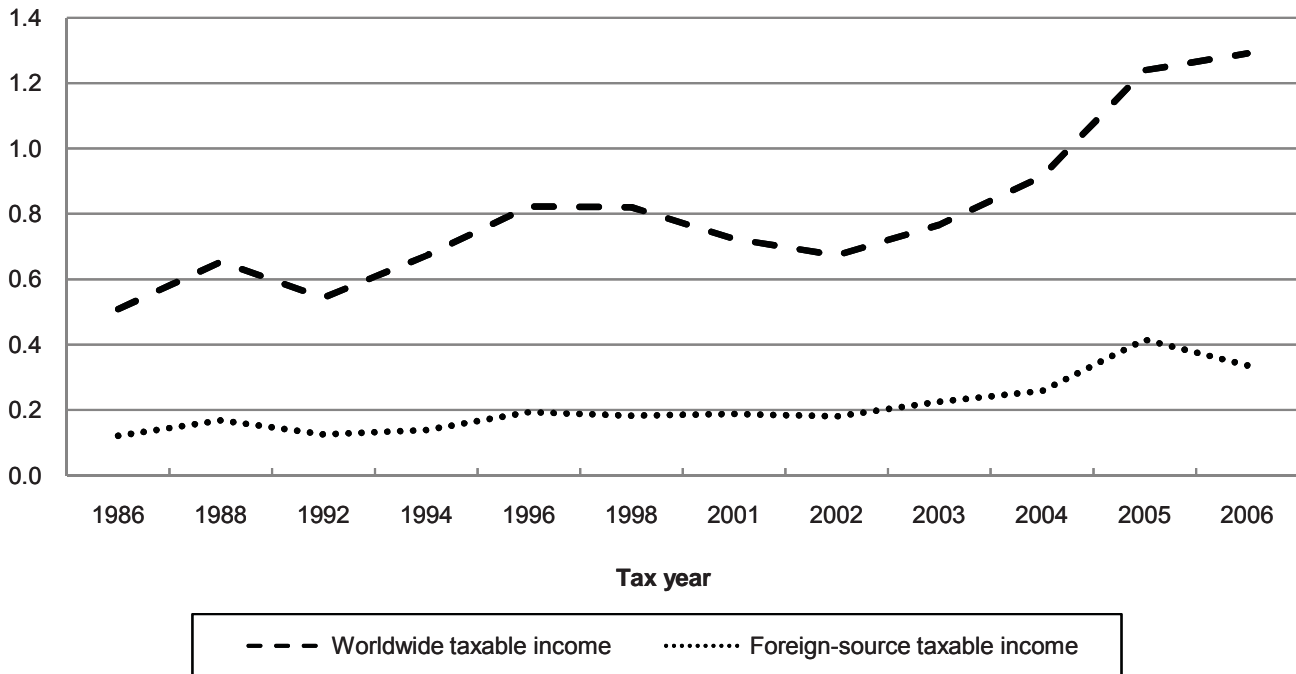
² The American Jobs Creation Act of 2004 eliminated six income categories (high withholding tax interest, financial services income, shipping income, dividends from a DISC or former DISC, certain distributions from a FSC or former FSC, taxable income attributable to foreign trade income). This provision took full effect in Tax Year 2007. The four remaining income categories are: general limitation income, passive income, income re-sourced by treaty, and Section 901 (j) income.

³ For comparability purposes, money amounts in this article are adjusted to 2006 constant dollars. The Consumer Price Index was the mechanism utilized in determining these adjustments. The word "real" indicates that money amounts have been adjusted.

Figure A

Foreign-Source Taxable Income of Corporations with a Foreign Tax Credit, Compared to Worldwide Taxable Income for All Corporations, for Selected Tax Years, 1986–2006

Trillions of dollars



Traditionally, corporations in the manufacturing industry and the finance, insurance, real estate, and rental and leasing industry have composed the two largest percentages of foreign-source taxable income for corporations that claimed a foreign tax credit. However, Figure B demonstrates that, for corporations in the manufacturing industry, which traditionally has composed the largest percentage, this percentage, although still the highest, has decreased during the past 20 years, from 74 percent of foreign-source taxable income in Tax Year 1986 to 60 percent of foreign-source taxable income in Tax Year 2006. During the past 20 years, corporations in the finance, insurance, real estate, and rental and leasing industry had the second largest proportion of foreign-source taxable income, from 16 percent in Tax Year 1986 to 13 percent in Tax Year 2006.

Six countries that traditionally account for large percentages of the foreign-source taxable income from corporations with a foreign tax credit are shown in Figure C. In Tax Year 2006, the largest percentage

(14.9 percent) of foreign-source taxable income was earned by corporations with operations in the United Kingdom, an increase from 12.6 in Tax Year 1986. Although the percentage of foreign-source taxable income for corporations with operations in Canada has steadily decreased over the years (a high of 16 percent in Tax Year 1986), it was still responsible for the second largest percentage in Tax Years 1996 and 2006, 10 percent and 9 percent respectively. The percentage from corporations with operations in Japan increased from 1.8 percent for Tax Year 1996 to 4.2 percent for Tax Year 2006.

Controlled Foreign Corporations

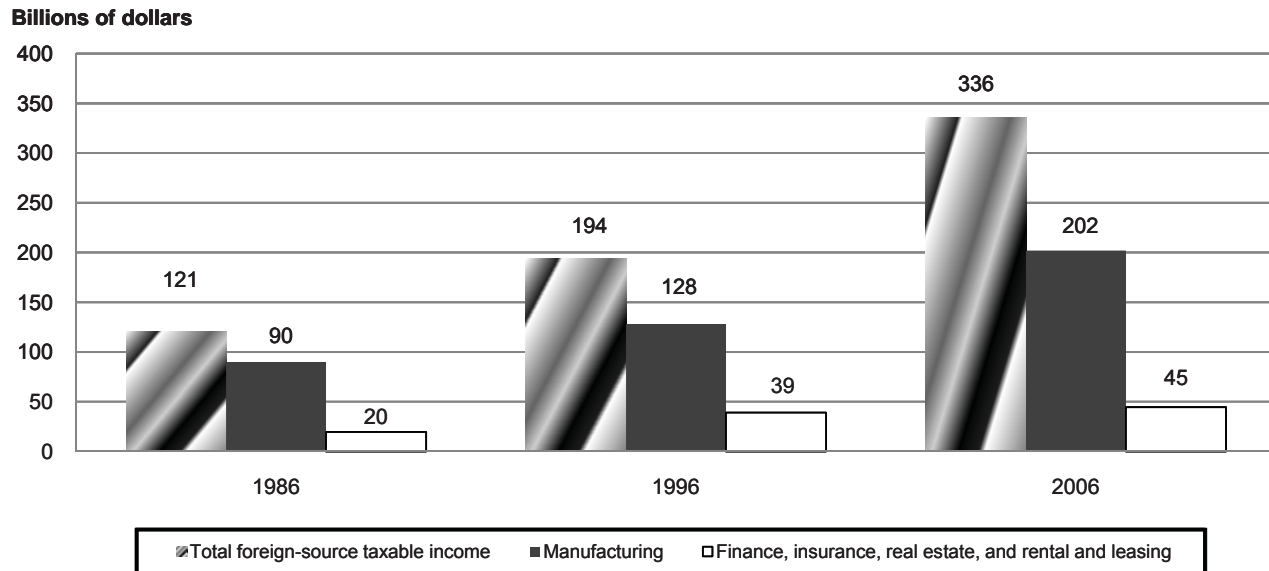
For U.S. income tax purposes, a foreign corporation is “controlled” if U.S. shareholders own more than 50 percent of its outstanding voting stock, or more than 50 percent of the value of all its outstanding stock (directly, indirectly, or constructively) on any day during the foreign corporation’s tax year. To facilitate data collection, SOI defines a corporation as

International Tax Overview

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Figure B

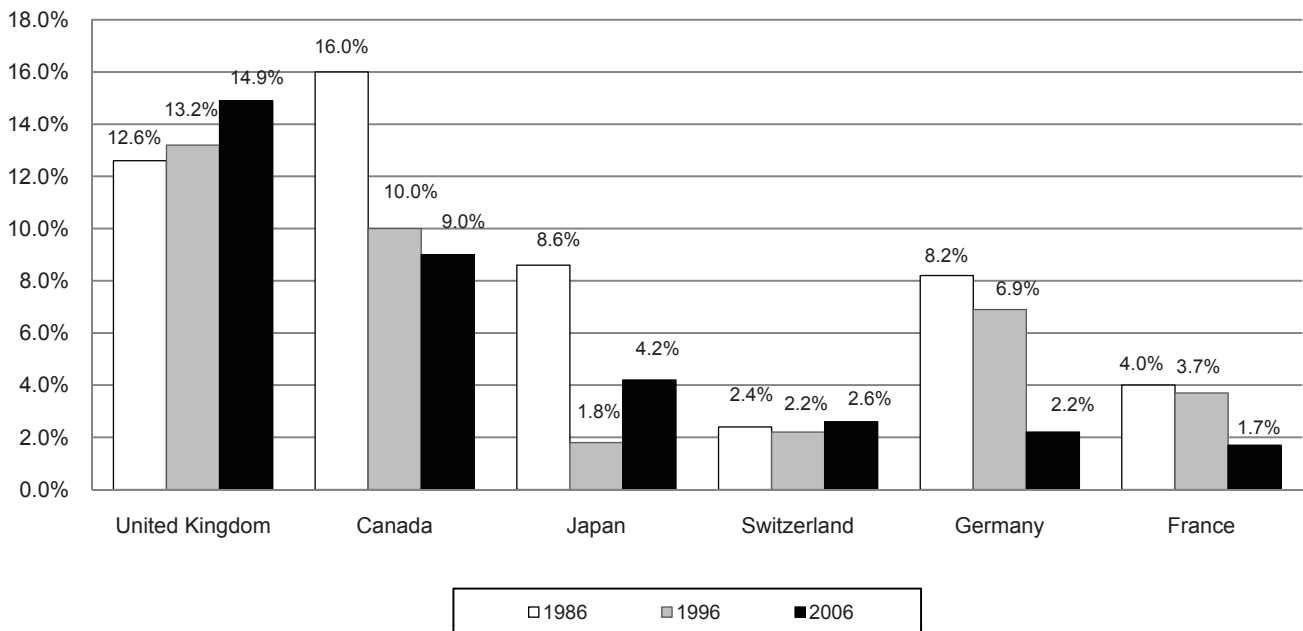
Foreign-Source Taxable Income of Manufacturing and Finance Industry Corporations Compared to Total Foreign-Source Taxable Income, Selected Tax Years, 1986–2006



NOTE: For comparability, amounts have been adjusted for inflation to 2006 constant dollars.

Figure C

Percent of Foreign-Source Taxable Income, by Selected Country, for Selected Tax Years, 1986–2006



controlled only if one U.S. corporation satisfies either of the above 50-percent ownership requirements for a minimum of 30 consecutive days during the foreign corporation's tax year.

In general, U.S. shareholders of a foreign corporation are not taxed on its foreign-source income until such income is repatriated. In 1962, Congress created the Subpart F provisions of the Internal Revenue Code that deny this deferral of current U.S. taxation on certain types of income earned by CFCs, including types of passive income that are highly mobile and can be easily transferred to low-tax jurisdictions, and payments between related parties, which can be used to shift income for tax advantage. CFC income subject to Subpart F rules is treated as if it were a dividend repatriated to U.S. shareholders and, thus, becomes subject to current U.S. tax.⁴

Figure D depicts selected items from the major industrial sectors reported by all controlled foreign corporations for Tax Years 2004 and 2006. In particular, real total receipts of all CFCs increased 19 percent from \$4.05 trillion in 2004 to \$4.82 trillion in 2006. This is consistent with an 11.5-percent increase in real total receipts of all active corporations

from Tax Year 2004 to 2006.⁵ Controlled foreign corporations engaged in goods production, which includes manufacturing and construction, accounted for the largest percentage of total receipts (43 percent) for 2004. However, the percentage decreased to 39 percent for Tax Year 2006. Corporations in this industry accounted for 25.4 percent of total Subpart F income in 2004 and 16.0 percent in 2006. Although corporations engaged in the finance, insurance, real estate, and rental and leasing industry accounted for a relatively small amount of total receipts (9.4 percent in 2004 and 10.7 percent in 2006), they accounted for the largest percentage of Subpart F income, having 28 percent of the total for Tax Year 2004 and 33 percent for Tax Year 2006. This outcome can be attributed to the fact that a large amount of this industry's total receipts is made up of interest and dividend income.

Figure E compares selected items of income by CFC country of incorporation for Tax Years 2004 and 2006. Together, these eight countries accounted for 53 percent of the total receipts reported by CFCs for Tax Year 2004 and 50 percent of the total for Tax Year 2006. Of these, receipts

Figure D

Selected Items From Controlled Foreign Corporations, by Major Industrial Sector, for Tax Years 2004 and 2006

[Money amounts are in millions of dollars]

Major industrial sector	Number of foreign corporations		Total receipts		Dividends paid to controlling U.S. corporation		Current earnings and profits (less deficit) before income taxes		Total Subpart F income	
	2004	2006	2004	2006	2004	2006	2004	2006	2004	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All industries	74,676	78,249	4,051,051	4,819,871	49,774	61,556	386,550	509,528	51,008	60,028
Raw materials and energy production	2,744	2,502	135,795	231,754	8,976	11,514	35,408	64,077	995	1,372
Goods production	19,359	19,917	1,742,915	1,878,080	18,788	16,648	133,560	142,387	12,698	9,621
Distribution and transportation of goods	16,215	16,191	1,031,604	1,264,350	4,302	8,102	56,034	69,134	9,291	8,630
Information	3,740	4,551	101,569	109,640	4,595	3,062	8,616	9,210	724	961
Finance, insurance, real estate, and rental and leasing	8,743	9,828	379,981	513,378	3,541	6,099	61,761	94,022	14,414	19,868
Services	23,418	25,039	657,792	822,330	9,573	16,120	91,209	130,730	12,879	19,576

NOTES: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars. Detail may not add to totals because of rounding.

⁴ Currently, a U.S. shareholder of a CFC may be required to include in gross income the shareholder's ratable share of the CFCs: (1) subpart F income; (2) increase in earnings invested in U.S. property; (3) previously excluded subpart F income withdrawn from "qualified investments" in less developed countries and in "foreign base company" shipping operations; (4) previously excluded export trade income withdrawn from investment in export trade assets; and (5) factoring income (income derived from the acquisition of a trade or service receivable).

⁵ For more information on total receipts of all active corporations, see the *Corporation Source Book*, Publication 1053.

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Figure E

Selected Items From Controlled Foreign Corporations, by Selected Country, for Tax Years 2004 and 2006

[Money amounts are in millions of dollars]

Selected country	Number of foreign corporations		Total receipts		Dividends paid to controlling U.S. corporation		Current earnings and profits (less deficit) before income taxes		Total Subpart F income	
	2004	2006	2004	2006	2004	2006	2004	2006	2004	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	74,676	78,249	4,051,051	4,819,871	49,774	61,556	386,550	509,528	51,008	60,028
Mexico	4,618	4,701	163,684	203,605	807	2,010	13,094	19,073	401	491
Canada	8,227	8,688	564,303	644,482	4,706	3,510	43,397	42,247	4,825	8,244
United Kingdom	6,559	6,935	449,491	580,653	14,364	11,404	40,077	47,747	4,340	2,284
France	3,857	3,381	163,317	140,198	1,216	950	10,034	10,308	899	1,168
Germany	4,121	4,160	239,017	225,492	846	1,608	8,865	14,042	1,085	1,572
Netherlands	3,151	3,123	307,759	305,678	2,696	5,901	44,478	36,779	6,322	4,304
China	2,264	3,426	51,354	82,098	617	488	4,626	6,093	145	307
Japan	2,265	2,554	212,688	211,533	1,375	1,616	16,121	15,476	2,334	1,866

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

from corporations in France, Germany, the Netherlands, and Japan experienced an overall decrease of real total receipts between 2004 and 2006. Conversely, those incorporated in Canada, the United Kingdom, China, and Mexico realized an overall increase in real total receipts.

Foreign Partnerships Controlled by U.S. Partners

A controlled foreign partnership is a partnership in which five or fewer U.S. persons each own a 10 percent or greater interest and whose combined interest in the partnership exceeds 50 percent. U.S. persons with an interest in a controlled foreign partnership must report to the IRS income and balance sheet items of the partnership as well as certain transactions between U.S. partners and the partnership.

U.S. corporations or partnerships account for the majority of U.S. persons with control of foreign partnerships. For Tax Year 2004, U.S. corporations reported 4,647 controlled foreign partnerships with \$1.3 trillion in assets and \$418 billion in total receipts. Corporation-owned partnerships in Luxembourg earned almost one-fifth of the total receipts; followed by Canada (14.6 percent) and the United Kingdom (10.2 percent). Moreover, U.S. partnerships reported 1,990 controlled foreign partnerships with \$186 billion in assets and \$36 billion in total receipts for Tax Year 2004. Partnerships in France, the Cayman Islands, and Germany had the largest

portion of total receipts for this group (15.5, 15.4 and 13.5 percent, respectively).

The One-Time Received Dividend Deduction

Congress created the one-time dividend received deduction in the Homeland Investment Act, incorporated into the American Jobs Creation Act of 2004, to encourage U.S. corporations to repatriate their foreign earnings and place them in investments that would promote U.S. job growth. The provision allowed a one-time deduction from their U.S. taxable incomes of 85 percent of the extraordinary dividends received from their CFCs, subject to certain limitations, provided that the repatriated earnings were used to fund allowable domestic investments.⁶ Allowing the 85-percent deduction lowered the effective tax rate on qualifying dividends for corporations taxed at the highest rate from 35 percent to 5.25 percent.

From Tax Year 2004 to 2006, 843 corporations repatriated almost \$362 billion. Of that, \$312 billion qualified for the deduction, creating a total deduction of \$265 billion. Corporations in the manufacturing industry accounted for just more than half the total corporations, but 81 percent of the total qualifying dividends (Figure F). Corporations in the pharmaceutical and medicine manufacturing industry brought home roughly 29 percent of the repatriated dividends. Another 19 percent was brought home by

⁶ For more information on the provisions of this deduction, see Internal Revenue Code section 965 and Notice 2005-20, Notice 2005-35, and Notice 2005-64.

Figure F

Repatriated Dividends: Selected Items, by Selected Major and Minor Industry of Parent Corporation, Tax Years 2004–2006

[Money amounts are in billions of dollars]

Selected industry	Returns		Cash dividends		Qualifying dividends	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
All industries	843	100.0	361.9	100.0	312.3	100.0
Manufacturing	465	55.2	289.4	80.0	252.2	80.8
Computer and electronic equipment	85	10.1	68.6	18.9	57.5	18.4
Pharmaceutical and medicine	29	3.4	105.5	29.2	98.8	31.6
Wholesale and retail trade	133	15.8	14.7	4.1	12.9	4.1
Information	49	5.8	14.6	4.0	13.2	4.2
Finance, insurance, real estate, and rental and leasing	49	5.8	13.3	3.7	11.9	3.8
All other industries	147	17.4	29.8	8.2	22.1	7.1

corporations in the computer and electronic equipment industry. Most corporations, 86 percent, reported the deduction for Tax Year 2005, while 7.7 percent reported it for Tax Year 2004, and the remaining 6.8 percent reported it for Tax Year 2006.

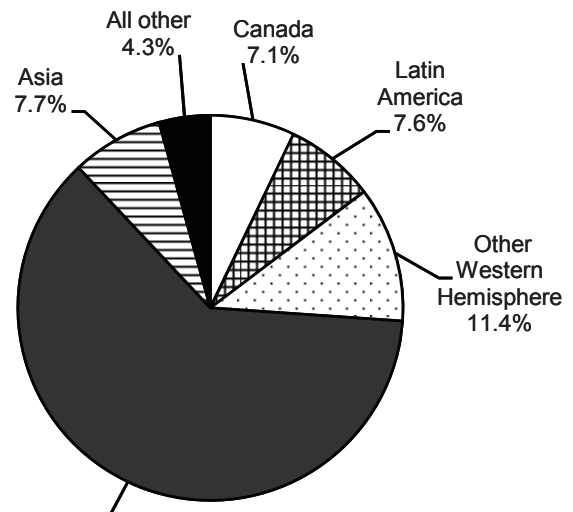
Figure G shows that CFCs incorporated in Europe were responsible for 62 percent of the total repatriated cash dividends. CFCs incorporated in the Western Hemisphere, excluding Canada and Latin America, accounted for 11.4 percent, as this country group includes many small Caribbean nations known to have favorable tax policies. Figure H displays the percentage of CFCs and the percentage of cash dividends repatriated, distributed by country of incorporation for the seven countries with the largest percentages of cash dividends. The Netherlands tops the list, with about 6 percent of the CFCs, but more than 26 percent of the cash dividends.

Interest Charge Domestic International Sales Corporations

In 1984, Congress created Interest Charge Domestic International Sales Corporations (IC-DISCs). To elect IC-DISC status, a domestic corporation must be able to classify at least 95 percent of its assets as “qualified export assets” and must have “qualified export receipts” that constitute at least 95 percent of its gross receipts. Qualified export assets consist of property related to exporting. Qualified export receipts are gross receipts from the sale of qualified export assets and other types of income related to exporting. The benefit of an

Figure G

Cash Dividends from Controlled Foreign Corporations, by Geographic Area of Incorporation, Tax Years 2004–2006



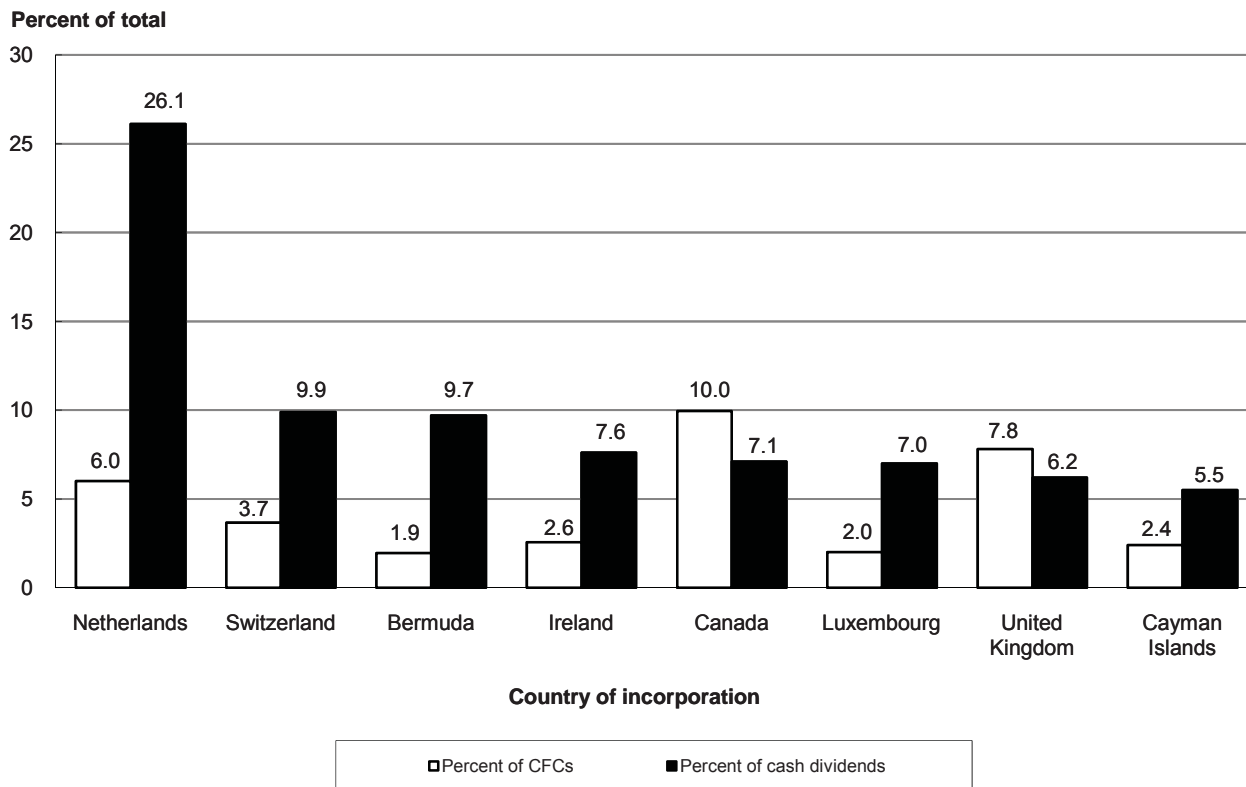
IC-DISC is that it allows companies a tax deferral on some of their export related income. While a small portion of the income of an IC-DISC is deemed distributed to the shareholder, the rest is not taxed until it is actually distributed, although the interest accrued on the tax deferred income must be paid annually.

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Figure H

Cash Dividends from Controlled Foreign Corporations, Tax Years 2004–2006



Now that exporters can no longer claim the benefits of Foreign Sales Corporations (FSCs) or the Extraterritorial Income Exclusion, IC-DISC activity is on the rise.⁷ After falling from 1,185 for Tax Year 1987 to 727 for Tax Year 2000, the total number of IC-DISCs filed rose to 1,209 for Tax Year 2006 (Figure I). Likewise, taxable income of IC-DISCs, in constant 2006 dollars, fell from \$458 million for Tax Year 1987 to \$382 million for Tax Year 2000, a drop of 16.7 percent, but jumped more than 350% to \$1.7 billion for Tax Year 2006. However, tax deferred income reported to shareholders dropped from about \$827 million for Tax Year 2000 to \$520 million for Tax Year 2006, a decrease of 37 percent.

Figure I

Selected Items from IC-DISC Returns, Selected Tax Years 1987–2006

[Money amounts are in thousands of dollars]

Tax year	Number of returns	Taxable income	Tax deferred income reported to shareholders
	(1)	(2)	(3)
1987	1,185	458,090	474,402
1991	980	329,102	784,162
1996	773	412,247	689,521
2000	727	381,739	827,374
2006	1,209	1,729,897	519,557

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

⁷ Congress enacted a repeal of the FSC in 2000, when it introduced the Extraterritorial Income Exclusion. That was repealed in 2004. However, the provisions of both repeals permitted exceptions for corporations with binding contracts. Congress subsequently removed these exceptions for all tax years beginning after May 17, 2006.

Individual Foreign Tax Credit and Foreign Earned Income

Currently, qualifying U.S. individuals living abroad can exclude up to a certain amount of foreign income (\$91,500 for 2010, indexed to inflation in subsequent years) earned while performing a service (primarily wages, salaries, commissions, and fees) and exclude or deduct a certain amount of excess foreign housing costs when calculating their U.S. income tax liability. Foreign income earned by individuals living abroad rose substantially between Tax Years 2001 and 2006. For 2001, about 295,000 taxpayers reported \$27.4 billion of foreign earned income (in constant 2006 dollars), while for 2006, about 335,000 taxpayers reported almost \$37 billion, an increase of about 18 percent.

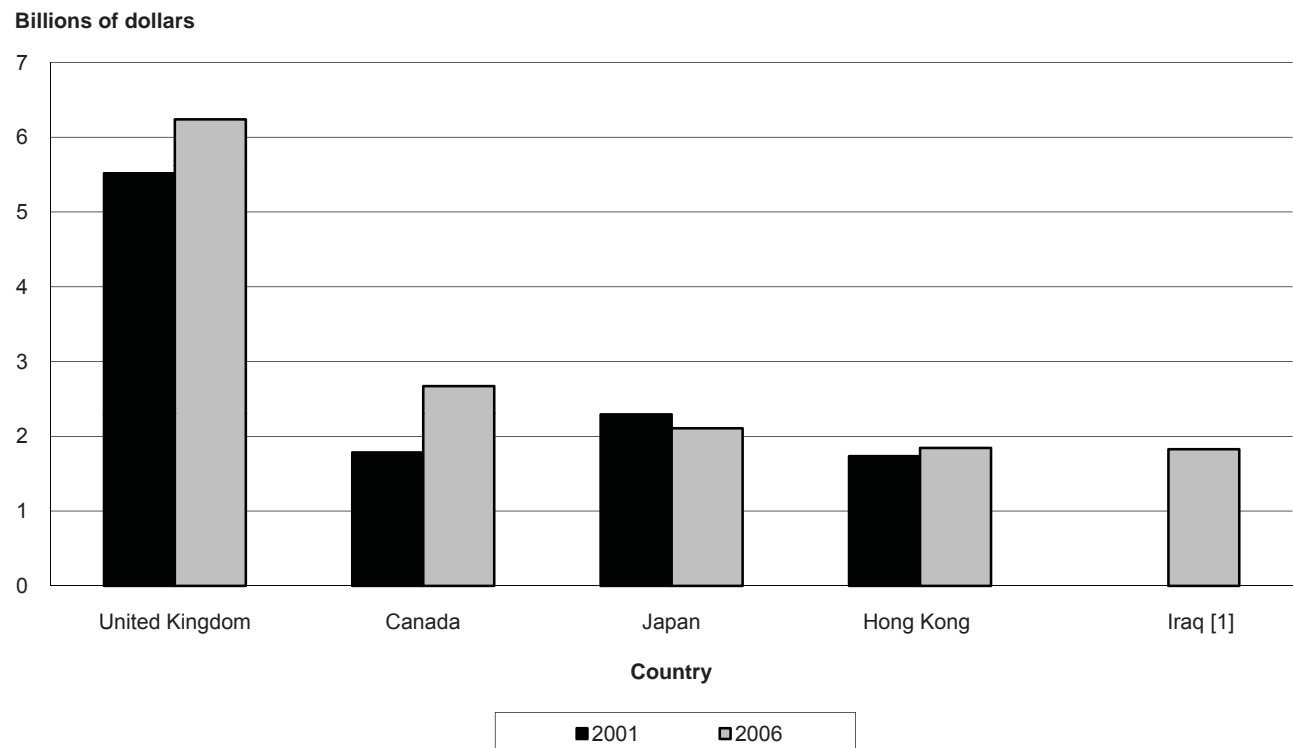
U.S. individuals living in the United Kingdom historically have accounted for the largest percentages of the reported total foreign earned income.

Of the total number of U.S. individuals reporting foreign earned income for 2006, 8.4 percent lived in the United Kingdom and earned 17 percent of the total foreign earned income reported. One noticeable shift, however, is the growth of foreign income earned in Iraq. While no taxpayers listed Iraq as a tax home for 2001, 18,325 did so for 2006, reporting a total of \$1.8 billion of foreign earned income (Figure J). Other countries with large increases in foreign earned income include China, with a real increase of 110.2 percent, and the United Arab Emirates, with a real increase of 80.2 percent. However, foreign earned income from taxpayers with a tax home in China or the United Arab Emirates accounts for less than 7 percent of the total.

U.S. taxpayers, regardless of their residency, can also claim a foreign tax credit for foreign taxes paid, as long as the taxes were not paid on income

Figure J

Foreign Earned Income, by Selected Countries, 2001 and 2006



[1] No data was reported for Iraq in 2001.

NOTE: For comparability, money amounts adjusted for inflation to 2006 constant dollars.

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excluded under the foreign earned income provisions described above. Also, like the corporate foreign tax credit, this credit is subject to a limitation computed separately for different categories of income.

In recent years, foreign-source income for individuals has outpaced the growth of worldwide income. Inflation-adjusted foreign-source gross income reported by all U.S. individuals on Form 1116, used to compute the foreign tax credit, rose from \$64 billion for 2001 to \$120 billion for 2006 (an 86.6 percent increase), while real worldwide income grew just 14.3 percent during the same period. As expected, the United Kingdom and Canada together accounted for the largest percentage of foreign-source gross income for 2006, 10 percent and 8 percent, respectively. The amount of real foreign tax credit claimed by individuals, not surprisingly, also grew substantially. For 2006, U.S. individual taxpayers paid \$13.9 billion in foreign taxes and were able to credit nearly \$11.0 billion of that amount against their U.S. tax liability, a real increase of 53.9 percent from the amount claimed for Tax Year 2001. Nevertheless, this credit remained a small fraction, just 1 percent, of the total U.S. income tax before credits for 2006.

International Boycotts

The international boycott provisions require U.S. persons to report their business operations in countries known to participate in a boycott of a foreign country not sanctioned by the U.S. The U.S. Department of Treasury maintains a list, published quarterly, of those countries known to participate in unsanctioned boycotts. Most of these operations are in countries known to participate in the Arab League's boycott of Israel. Taxpayers must also report certain types of requests to participate in an international boycott, any agreements to comply with those requests, and any tax consequences. Per Internal Revenue Code 999(a), taxpayers report these operations on Form 5713, *International Boycott Report*, filed annually with their Federal income tax returns. Those taxpayers who participate in such boycotts lose a portion of

certain tax benefits related to the boycott income. These benefits include the foreign tax credit, the benefits for FSCs, the exclusion of extraterritorial income, and the tax-deferral available to U.S. shareholders of CFCs or IC-DISCs.^{8, 9}

From Calendar Years 1997 to 2006, as shown in Figure K, there was a significant decrease in boycott participation. During this period, the number of persons receiving requests to participate in boycotts decreased from 193 in 1997 to 112 in 2006. The most significant decrease came from persons receiving requests from the United Arab Emirates, with 109 in 1997 and 58 in 2006. In addition, the number of boycott requests decreased from 6,055 to 2,270, more than 60 percent, during the same period, with the most significant decrease also coming from the United Arab Emirates. The number of agreements to participate in, or cooperate with, an international boycott decreased 70 percent, from 1,438 in 1997 to 421 in 2006. The number of boycott agreements with the United Arab Emirates decreased more than 80 percent during this same period. The removal of Bahrain, Iraq, and Oman from the Treasury list between 2004 and 2006 also contributed to the decline of received boycott requests and participation.

Foreign Persons with U.S. Income Foreign-Controlled Domestic Corporations

During the past few decades, the portion of total receipts earned by all U.S. corporations attributable to domestic corporations controlled by foreign persons has increased from about 2 percent for Tax Year 1971 to 14 percent for Tax Year 2006 (Figure L). (For SOI purposes, a company incorporated in the United States is foreign controlled if one foreign person owns 50 percent or more of the corporation's voting stock or 50 percent or more of the value of all of the corporation's stock at any time during the accounting period.) The percent of U.S. corporations controlled by foreign persons, however, has remained relatively constant; around 1 percent since Tax Year 1990. For Tax Year 2006, 63,951 domestic corporations controlled by foreign persons reported a total of \$9.7

⁸ The extraterritorial income exclusion allowed businesses to deduct qualifying foreign trade income from their U.S. gross incomes. Qualifying foreign trade income was defined as the greatest of the following income sources, that, when excluded, would reduce taxable income by (1) 1.2 percent of foreign trading gross receipts, or (2) 15 percent of foreign trade income, or (3) 30 percent of foreign sales and leasing income.

⁹ On May 21, 2006, Congress repealed all remaining provisions of the FSC and extraterritorial income exclusion.

Figure K

Number of Persons Receiving International Boycott Requests and Agreeing to Participate for Selected Calendar Years, 1997–2006

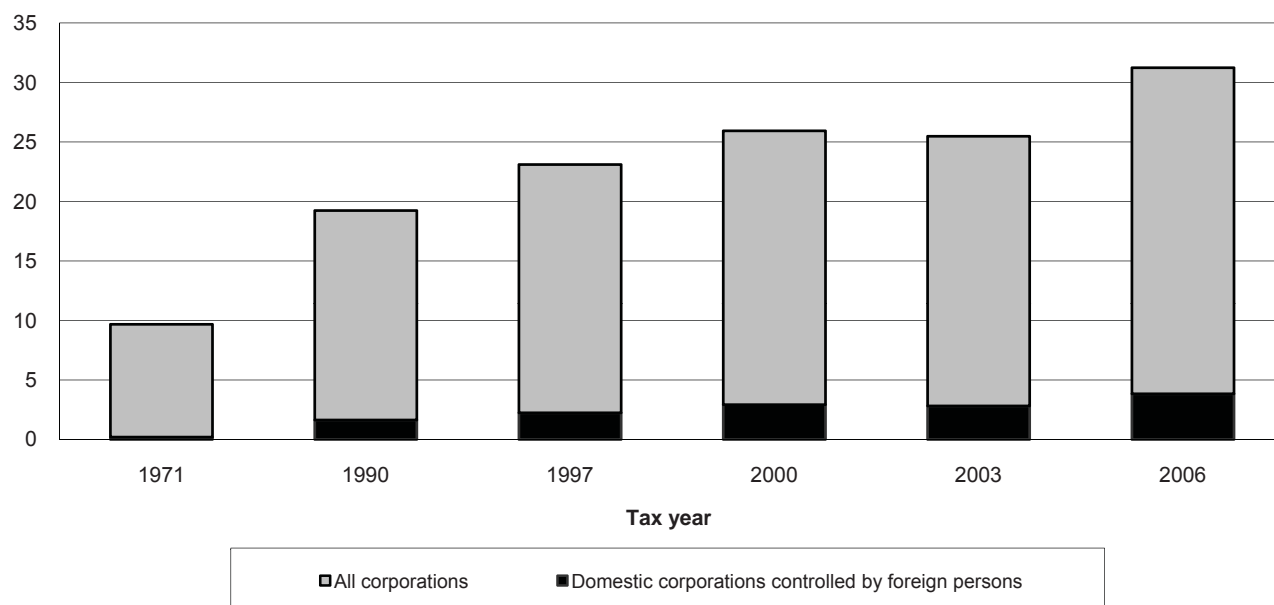
Country	Number of persons receiving requests [1]			Number of boycott requests received [1]			Number of boycott agreements [1]		
	1997	2002	2006	1997	2002	2006	1997	2002	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All countries	193	116	112	6,055	3,421	2,270	1,438	489	421
Treasury-listed countries	180	107	90	5,435	2,894	1,866	1,396	480	381
Bahrain	44	26	N/A	536	101	N/A	37	3	N/A
Iraq	N/A	10	N/A	N/A	15	N/A	N/A	3	N/A
Kuwait	68	39	31	457	242	226	162	77	48
Lebanon	47	30	29	237	140	98	109	49	31
Libya	27	16	30	289	102	210	141	19	25
Oman	47	26	N/A	795	138	N/A	118	9	N/A
Qatar	44	25	22	505	528	213	71	43	4
Saudi Arabia	56	38	23	876	295	193	290	72	107
Syria	57	32	19	386	566	201	23	25	65
United Arab Emirates	109	65	58	1,145	628	464	408	154	81
Yemen, Republic of	20	16	14	183	139	261	37	26	20
Non-listed countries	60	24	54	620	527	404	42	9	40

[1] Data in these columns do not add to totals because persons could have received requests from, or made agreements with, more than one country.

Figure L

Total Receipts of Domestic Corporations Controlled by Foreign Persons and Total Receipts of All Corporations for Selected Tax Years, 1971–2006

Trillions of dollars



NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

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trillion in total assets, \$3.8 trillion in receipts, and \$172.6 billion in net income (less deficit). Corporations engaged in manufacturing generated 46 percent of the total receipts of these companies, compared to 28 percent of the receipts from all domestic corporations.

Most of the receipts earned by foreign-controlled corporations were generated by corporations controlled by foreign persons from Japan, the United Kingdom, Germany, the Netherlands, Canada, and France (Figure M). In recent years, the percentage of total receipts from corporations controlled by persons from the United Kingdom has risen, climbing from 14 percent for Tax Year 2000 to more than 23 percent for Tax Year 2006.

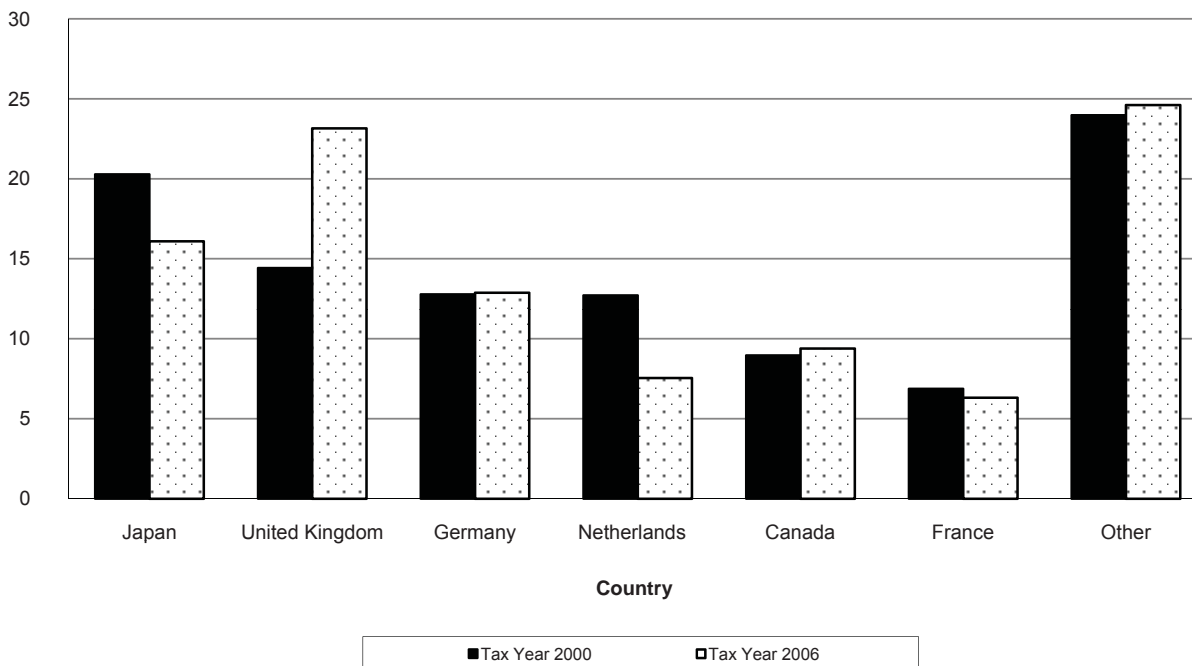
Foreign Corporations with U.S. Business Operations

The United States taxes certain income earned by U.S. branches of foreign corporations. A branch is an affiliate operating in the U.S. that is legally part of the foreign firm and, thus, not a separate U.S. entity. Income earned by these U.S. branches that is “effectively connected” with a U.S. trade or business, such as rents for the use of intangible property for which income is attributable to a fixed place of business within the United States, is taxed at regular U.S. corporate tax rates.¹⁰ Certain gains, profits, and other income that are not effectively connected are taxed at a flat 30-percent rate, although this rate may be reduced or eliminated pursuant to a bilateral income tax treaty.¹¹

Figure M

Share of Total Receipts of Domestic Corporations Controlled by Foreign Persons, by Country, Tax Years 2000 and 2006

Percent of total receipts



¹⁰ For a description of effectively connected income, see Internal Revenue Code sections 864 and 897, as well as the related Internal Revenue Regulations.

¹¹ Tax treaties generally aim to reduce double taxation and improve trade efficiency.

The number of returns and the amount of total receipts from foreign corporations with effectively connected U.S. income has grown substantially in real terms during the last decade, although the total receipts from these corporations remains less than 1 percent of the total from all corporations (Figure N). For Tax Year 2006, there were 14,897 foreign corporations with effectively connected U.S. income, about 0.3 percent of all active corporations that filed a U.S. tax return. These firms reported approximately \$248.8 billion in total receipts and \$11.9 billion in income subject to U.S. tax. They paid a total of \$3.3 billion in U.S. tax after credits.

Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) required domestic corporations in which 25 percent or more is owned by a foreign person, as well as foreign corporations engaged in a U.S. trade or business, to report transactions with related foreign persons on IRS Form 5472, which is filed as an attachment to the corporation's U.S. income tax return, Form 1120. For SOI purposes, a domestic corporation is foreign-owned if at least 25 percent of the total voting power of all classes of stock permitted to vote, or 25 percent of the total value of all classes of stock of the corporation, was owned, directly or indirectly, at any time in the tax year by a single foreign shareholder. SOI collects data on these transactions for foreign-controlled

domestic corporations with total receipts of \$500 million or more. Forms 1120, however, with at least one Form 5472 attached that had been selected for previous SOI studies were also included in these statistics, even if the corporation fell below the \$500-million receipts threshold in the current study year. Therefore, to diminish the effect of these cases on longitudinal trends, data presented in this section are averaged across reporting 1120 parent corporations.¹²

These large foreign-owned domestic corporations reported average nonloan transactions of \$819 million per return for receipts from related foreign persons and average payments to related foreign persons of \$1,154 million for Tax Year 2006 (Figure O). In real terms, these amounts have risen by 163 percent and 87 percent per return, respectively, from Tax Year 1996 to 2006. More specifically, average nonloan transactions by both country and industry saw significant increases, as well. Figure P demonstrates the variability in the makeup of the average amounts of nonloan transactions from related persons in selected countries from Tax Year 1996 to 2006. Domestic Corporations reporting nonloan transactions with related persons in the United Kingdom experienced an increase in the average amounts they received from Tax Year 1996 to 2006 (from \$43 million to \$1,048 million); the average in 2006 was also significantly larger than that for all other countries. For Tax Years 1996 and 2002, Japanese parties were paid the highest average amount of nonloan transactions from U.S. corporations transacting with them, \$492 million and \$398 million, respectively. However, related persons in the United Kingdom were paid the highest average amount for 2006, an average of \$1,028 million per return. As shown in Figure Q, domestic corporations in the finance and insurance industry group were responsible for the largest share of nonloan transactions in Tax Year 2006, with an average of \$10,377 million per return. The wholesale trade industry claimed the second largest share, an average of \$1,343 million per return for Tax Year 2006. While there was an overall increase in average nonloan transactions for most industries from Tax Year 1998 to 2006, Figure Q illustrates that the average value of nonloan transactions for the manufacturing industry decreased from \$659 million to \$248 million during that same period.¹³

Figure N

Foreign Corporations with U.S. Business Operations, Selected Tax Years, 1987–2006

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

Selected items	Tax year		
	1986	1996	2006
	(1)	(2)	(3)
Total returns	11,342	9,933	14,897
Total receipts	80,246	121,314	248,839
Percentage of total receipts from all corporations	0.5	0.5	0.9
Income subject to tax	3,344	3,222	11,877
Income tax after credits	1,048	1,173	3,294

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

¹² For more information on sample selection, see Lowe, Mark R., "Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons," *Statistics of Income Bulletin*, Fall 2009, Volume 29, Number 2.

¹³ Industry data for all major industrial sectors was not available for Tax Year 1996.

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Figure O

Average Transactions Between Foreign-Owned Domestic Corporations Per Return with Total Receipts of \$500 Million or More and Filing Form 5472 and Related Foreign Persons for Selected Tax Years, 1992–2006^[1]

[Money amounts are in millions of dollars]

Type of transaction	1992	1994	1996	2002	2004	2006
	(1)	(2)	(3)	(4)	(5)	(6)
From related foreign persons:						
Amounts received	248	344	312	254	605	819
Amounts borrowed, ending balance	267	269	316	759	937	1,021
To related foreign persons:						
Amounts paid	547	674	501	538	959	1,154
Amounts loaned, ending balance	75	87	72	288	424	277

[1] Form 5472 is entitled "Information Return of a 25-Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business."

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

Figure P

Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons: Average Nonloan Transactions Per Return by Country of Selected Related Foreign Persons, Tax Years 1996–2006

[Money amounts are in millions of dollars]

Country	Average amount received per return (excluding loan balances)			Average amount paid per return (excluding loan balances)		
	1996	2002	2006	1996	2002	2006
	(1)	(2)	(3)	(4)	(5)	(6)
All countries	312	253	819	501	538	1,154
United Kingdom	43	155	1,048	61	113	1,028
Japan	382	71	81	492	398	437
Switzerland	44	92	80	31	150	234
Canada	42	51	79	85	98	132
Germany	29	40	73	102	7	191

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

Foreign Recipients of U.S. Income

U.S. payors are required to report and withhold taxes on U.S.-source income distributed to foreign persons. The statutory tax rate for this income is a flat 30 percent, but bilateral income tax treaties or statutory exemptions reduce or eliminate this tax for the majority of recipients.¹⁴

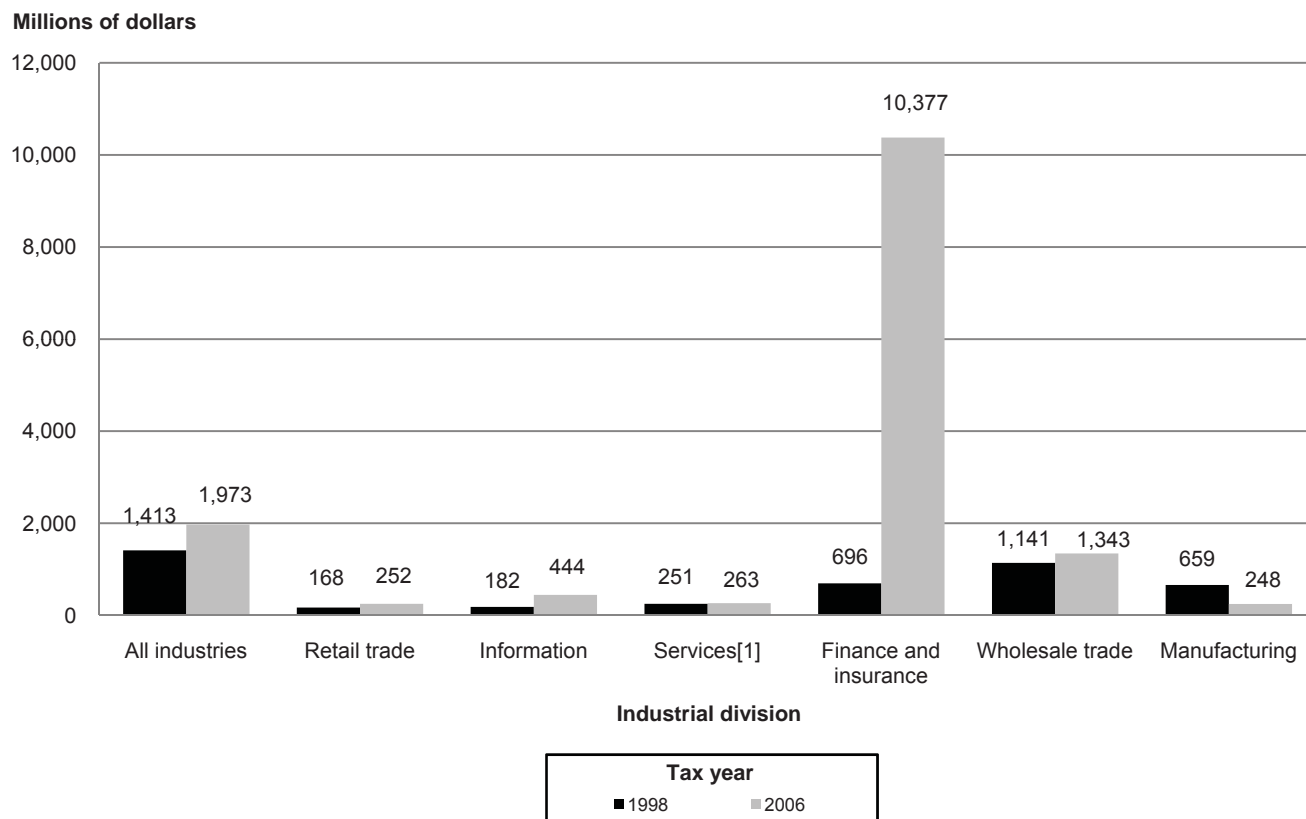
Both the real amount of U.S.-source income distributed to foreign persons and the number of payments made has grown substantially. Inflation-adjusted

distributions rose from about \$16 billion in 1980 to almost \$545 billion for Tax Year 2006 (Figure R). The number of payments rose from roughly 600,000 to 3.7 million during the same period. Almost 70 percent of the payments made for 2006 were paid to corporations. Most of these payments (87 percent) were exempt from withholding tax because of treaty arrangements. The total amount of withholding tax, in real terms, has also increased dramatically, from \$1.7 billion in 1980 to \$8.4 billion in 2006.

¹⁴ For more information on the withholding requirements for foreign recipients of U.S.-source income, see Luttrell, Andrew S., "Foreign Recipients of U.S. Income," *Statistics of Income Bulletin*, Winter 2009, Volume 28, Number 3.

Figure Q

Foreign-Owned Domestic Corporations with Total Receipts of \$500 Million or More Filing Form 5472: Average Amount of Nonloan Transactions Per Return by Industrial Division, Tax Years 1998 and 2006



[1] Services include professional, scientific and technical services.

NOTES: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars. Form 5472 is entitled "Information Return of a 25-Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business."

Almost 60 percent of the income paid to foreign recipients in 2006 was in the form of interest, while dividends accounted for 18.1 percent. Notional principal contract income made up the third largest percentage, 13.7 percent of the total.¹⁵

Figure S displays the percentage of income payments, by recipient's country. The largest percentage of income payments flow to recipients in the United Kingdom, now and historically. For 2006, Japan, Germany, the Netherlands, and Switzerland accounted

for large percentages, as well. Most of the income payments, 77 percent in 2006, go to recipients in treaty countries.

Foreign Recipients of U.S. Partnership Income

After the Tax Reform Act of 1986, U.S. partnerships were required to withhold tax on effectively connected taxable income deemed allocable to foreign partners. Foreign partners can claim a withholding tax credit for their share of tax withheld by the partnership.

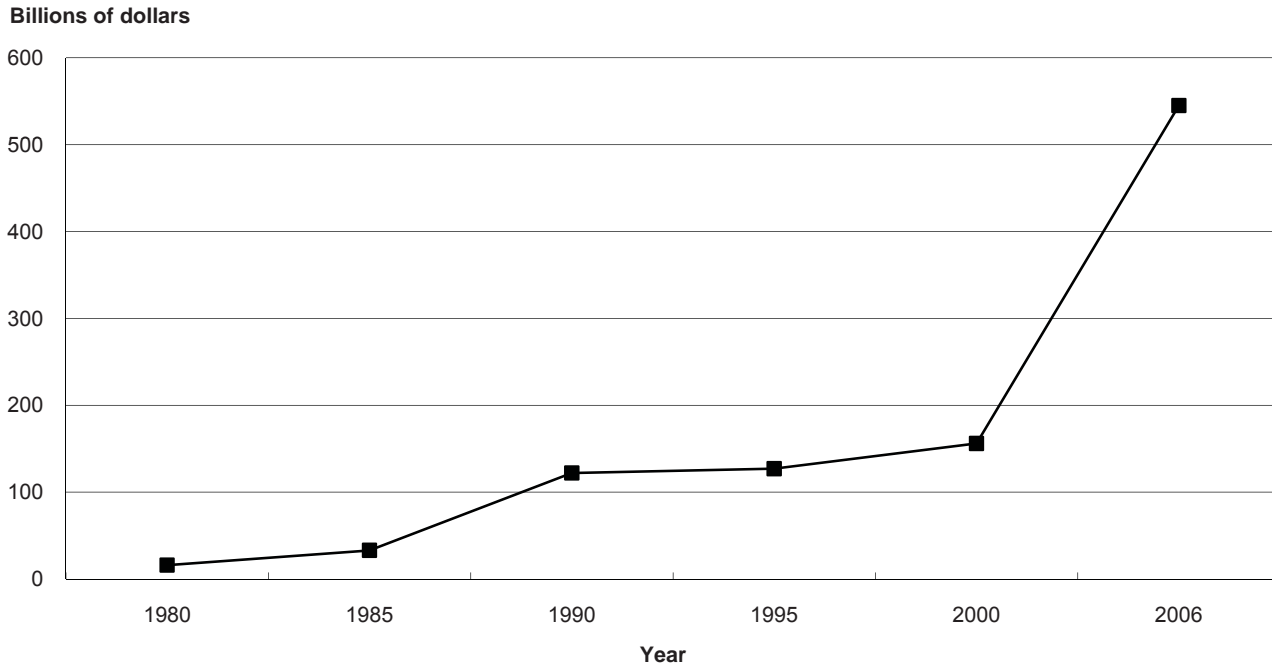
¹⁵ Notional principal contracts involve two parties who agree contractually to pay each other amounts at specified times. The notional amount is an amount, specified in the contract, on which certain calculations are made. Generally, when amounts are due under the contract at the same time, they are netted, and only one payment is made.

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Figure R

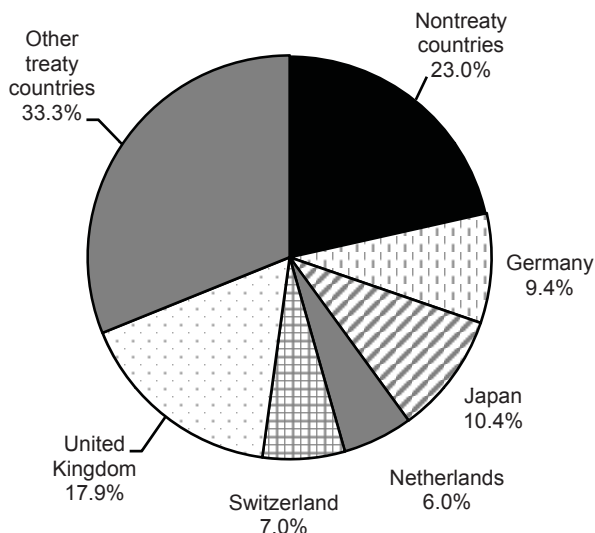
Income Paid to Foreign Persons for Selected Years, 1980–2006



NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

Figure S

Percentage of Income Paid to Foreign Persons in Selected Countries, 2006



For 2007, U.S. partnerships reported almost \$9 billion in taxable income allocated to about 275,000 foreign partners. The United States withheld nearly \$5 billion of tax on \$15.5 billion of taxable income (excluding losses). Much of the income (37.3 percent) was allocated to partners in Germany, while 7.4 percent was allocated to partners in the United Kingdom and 6.4 percent to partners in France. It should be noted, however, that the country of residence for foreign partners is not reported on many returns. Partners for whom a country of residence was unknown accounted for almost 20 percent of the partnership taxable income allocated to foreign partners.

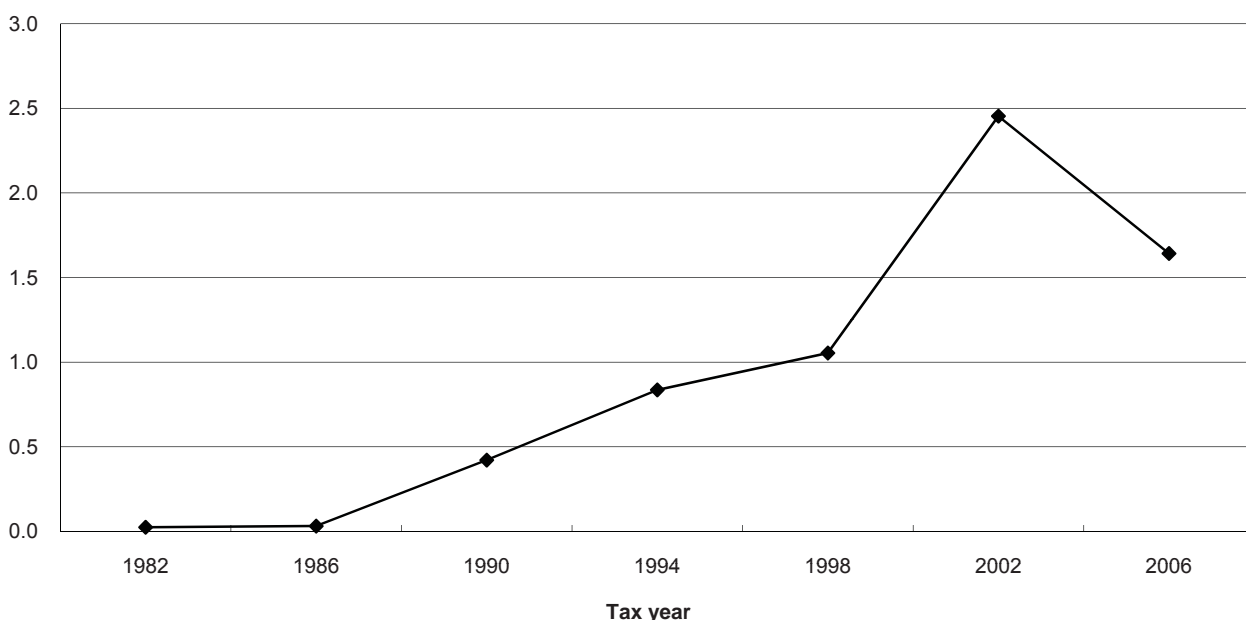
Entity Classification Elections

SOI also collects data on foreign entities electing a classification of their business form for U.S. tax purposes. Entities eligible to choose their classification status generally include limited liability companies, partnerships, and foreign entities that do not meet the definition of a corporation as outlined in Regulations section 301.7701-2(b)(8). An eligible entity can choose to be regarded as a corporation,

Figure T

Value of Total Transferred Property Reported on Forms 3520 for Selected Tax Years, 1982–2006

Billions of dollars



NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

partnership, or, if it has a single owner, to be disregarded as a separate entity.

Since 1997, SOI has processed data from about 83,000 new foreign entities electing a classification and from approximately 55,000 entities filing to change their existing status. The majority, 69 percent, elected to be disregarded as a separate entity, in which case entity income is combined with that of its U.S. owner for tax purposes.

Trusts and Estates

Foreign Trusts

U.S. persons who transfer property to, or receive a distribution from, a foreign trust or who receive certain foreign gifts must report these transactions to the Internal Revenue Service. In addition, all foreign trusts with at least one U.S. owner must annually report an income statement and certain balance sheet items. In 1996, Congress included additional reporting requirements for all types of foreign trusts in the Small Business Job Protection

Act. As a consequence, reported foreign trust transactions rose dramatically. In recent years, increases in foreign trust transactions reflect an overall increase in foreign investment.

After steadily rising in real terms since 1983, the value of gratuitously transferred property from U.S. persons to foreign trusts dropped from almost \$2.5 billion in 2002 to \$1.6 billion in 2006 (Figure T).¹⁶ The property transferred continues to be received mostly by trusts located in countries known to have favorable tax policies. Trusts in Jersey, the Cook Islands, and Liechtenstein together received about 40 percent of the transferred property value for 2006.

Foreign nongrantor trusts reported \$2.9 billion in distributions to U.S. persons for 2006, a 726-percent increase, after adjusting for inflation, from Tax Year 2002.¹⁷ More than two-thirds of the nongrantor trust distributions in 2006 were from trusts located in Switzerland, a noticeable shift from Tax Year 2002, in which the majority of distributions were from

¹⁶ Gratuitously transferred property refers to property transferred to a foreign trust for less than the fair market value.

¹⁷ In a grantor trust, the grantor has certain elements of control over the use of the trust property or income.

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trusts in the Cayman Islands (22 percent), Jersey (17 percent), and the Bahamas (17 percent).

The number of foreign trusts with at least one U.S. owner has risen steadily, from 291 for 1990 to 2,550 for 2002 and 3,819 for 2006. Assets for those trusts almost doubled in real terms from 2002 to 2006, to almost \$32 billion, while real net income jumped from \$401 million to \$1.9 billion, an astonishing 383 percent, during the same period. Trusts in the Cayman Islands accounted for one-third of the net income for 2006.

Nonresident Alien Estates

The Federal tax system includes taxes for the right to transfer tangible and intangible property whether through lifetime gifts or bequests at death. The U.S. taxes estates of nonresident aliens with more than

\$60,000 in U.S. gross assets when such property is transferred at death. These assets include tangible or real property physically located in the United States and intangible property, like stocks or debt obligations, for which characteristics define it as U.S. property.¹⁸ While the estate tax filing threshold for these assets is lower than the threshold for U.S. citizens and residents, the tax is applied using the same progressive tax rate structure.

The United States has estate tax treaties with 17 nations. These treaties provide mutual administration assistance between the U.S. and each country and provisions to prevent double taxation. Estate tax treaties in some cases also modify the reporting requirements under U.S. domestic law. Accordingly, data for treaty status returns and non-treaty status returns are presented separately in Figure U.

Figure U

Selected Items from Nonresident Alien Estate Tax Returns, Filing Years 2005–2006

[Money amounts are in whole dollars]

Treaty and taxable status, items	Year			
	2005		2006	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
Nontreaty status, all returns:				
Total U.S. gross estate	167	113,524,988	188	105,367,749
Total gross estate, outside the U.S.	167	222,211,337	188	861,124,975
Total gross estate, worldwide	167	335,736,313	188	966,492,727
Nontreaty status, taxable returns:				
Total U.S. gross estate	152	85,864,123	151	84,851,482
Total gross estate, outside the U.S.	152	160,946,403	151	622,552,270
Total gross estate, worldwide	152	246,810,514	151	707,403,755
Nontreaty status, nontaxable returns:				
Total U.S. gross estate	15	27,660,865	37	20,516,267
Total gross estate, outside the U.S.	15	61,264,934	37	238,572,705
Total gross estate, worldwide	15	88,925,799	37	259,088,972
Treaty status, all returns:				
Total U.S. gross estate	563	301,868,536	614	231,159,104
Total gross estate, outside the U.S.	563	663,088,808	614	1,122,835,123
Total gross estate, worldwide	563	964,957,337	614	1,353,994,220
Treaty status, taxable returns:				
Total U.S. gross estate	226	190,852,370	285	142,058,546
Total gross estate, outside the U.S.	226	481,257,956	285	818,073,200
Total gross estate, worldwide	226	672,110,318	285	960,131,737
Treaty status, nontaxable returns:				
Total U.S. gross estate	337	111,016,166	329	89,100,558
Total gross estate, outside the U.S.	337	181,830,851	329	304,761,923
Total gross estate, worldwide	337	292,847,019	329	393,862,483

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

¹⁸ Stock is considered to be U.S. property if it is issued by a domestic corporation. Debt obligations are deemed U.S. property if the obligor is a U.S. citizen or resident, domestic corporation, partnership, or governmental unit.

For 2006, some 188 nonresident alien non-treaty estate tax returns reported a total gross estate in the United States of \$105.4 million. Taxable returns accounted for 151 of these filings and \$84.9 million of total U.S. gross estate for 2006, while there were 37 non-taxable returns that accounted for \$20.5 million of total U.S. gross estate. For 2005, 167 non-treaty returns reported a total U.S. gross estate of \$113.5 million. Taxable returns accounted for 152 of these 2005 filings and \$85.9 million of total U.S. gross estate, while there were just 15 non-taxable returns that reported \$27.7 million of total U.S. gross estate.

For 2006, there were 614 estate returns filed for nonresident alien decedents who resided in tax treaty countries. The total U.S. gross estate associated with those returns was \$231.2 million. Of those returns, 285 were taxable returns, and 329 were non-taxable, and they reported total U.S. gross estate of \$142.1 million and \$89.1 million, respectively. For 2005, 226 taxable returns reported \$190.9 million of total U.S. gross estate, and 337 nontaxable returns reported

\$111 million for nonresident alien decedents who resided in tax treaty countries. As seen in Figure V, Canada, Germany, and the United Kingdom were sources of the largest number of returns filed in Tax Year 2006. However, decedents in Germany, Canada, and Japan had the highest total U.S. gross estate, while Australia had the highest average U.S. gross estate, \$1.66 million for 2006.

Summary

Many of the trends noted in this article show an increase in the amount of foreign activity of U.S. persons and the amount of U.S. activity of foreign persons. Real foreign-source taxable income for corporations with a foreign tax credit, for example, rose 43 percent from Tax Year 2002 to 2004. It increased another 61 percent between Tax Year 2004 and 2005, due primarily to the one-time dividend received deduction. Likewise, real total receipts of controlled foreign corporations grew 19 percent between Tax Year 2004 and 2006, compared to an 11.5-percent increase in total receipts for U.S. corporations. The portion of total

Figure V

Selected Items from Nonresident Alient Estate Tax Returns with Treaty Status by Country, Filing Years 2005–2006

[Money amounts are in whole dollars]

Country	2005				2006			
	Number	Total U.S. gross estate	Total gross estate, outside the U.S.	Total gross estate, worldwide	Number	Total U.S. gross estate	Total gross estate, outside the U.S.	Total gross estate, worldwide
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries	563	301,868,536	663,088,808	964,957,337	614	231,159,104	1,122,835,123	1,353,994,220
Canada	224	171,309,565	304,341,649	475,651,205	223	76,191,995	496,730,869	572,922,868
Germany	144	43,789,975	137,953,389	181,743,365	166	61,014,375	212,630,955	273,645,330
United Kingdom	80	28,169,629	52,978,170	81,147,799	96	19,914,002	109,901,329	129,815,329
Japan	27	17,341,952	100,039,172	117,381,123	44	24,671,459	210,241,900	234,913,349
Switzerland	14	13,046,186	19,283,515	32,329,701	16	11,872,677	52,387,403	64,260,080
France	21	11,697,170	6,460,315	18,157,484	16	14,804,451	3,770,315	18,574,766
Italy	12	3,881,386	5,373,492	9,254,879	7	3,113,988	34,477	3,148,465
Australia	8	2,339,221	4,996,249	7,335,469	6	9,944,147	17,555,675	27,499,822
Other countries [1]	33	10,293,452	31,662,858	41,956,311	40	9,632,010	19,582,200	29,214,211

[1] For 2005 and 2006, other countries includes Austria, Denmark, Greece, Ireland, Netherlands, Norway, South Africa and Sweden.

NOTE: For comparability, money amounts have been adjusted for inflation to 2006 constant dollars.

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receipts from all U.S. corporations earned by those controlled by foreign persons grew from 2 percent for Tax Year 1971 to nearly 14 percent for Tax Year 2006. The real amount of average receipts earned by foreign persons related to large domestic foreign-owned corporations jumped 69 percent between Tax Years 2002 and 2006. Individual foreign-source income and foreign earned income have also risen faster than individual worldwide income in recent years, while the real amount of payments distributed to foreign persons continues its historical climb. However, the real value

of gratuitously transferred property for U.S. persons to foreign trusts dropped from \$2.5 billion for 2002 to \$1.6 billion for 2006.

Data Limitations

These statistics do not include adjustments made during audit or on amended returns. Many of the studies are based on samples and, thus, are subject to sampling error. A description of data limitations for each study can be found in the *SOI Bulletin*, available at <http://www.irs.gov/taxstats/index.html>.

Table 1. Summary of Current Sources of Data and Available Data for International Studies

Study	Frequency [1]	Sources of Data	Classified by	Latest SOI Bulletin Issue with Article
Foreign Tax Credit-Corporations	Annually	Form 1118— <i>Foreign Tax Credit Corporations</i>	Industry, country to which tax was paid, size of total assets	Summer 2009, Vol. 29, No. 1
Controlled Foreign Corporations	Biannually	Form 5471— <i>Information Return of U.S. Persons with Respect to Certain Foreign Corporations</i> and Form 8858— <i>Information Return of U.S. Persons with Respect to Foreign Disregarded Entities</i>	Industry, country, size of total assets	Summer 2008, Vol. 28, No. 1
Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons	Biannually	Form 5472— <i>Information Return of a 25% Foreign-owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business</i>	Industry	Fall 2009, Vol. 29, No. 2
One-Time Dividend Received Deduction	Once	Form 8895— <i>One-Time Dividends Received Deduction for Certain Cash Dividends from Controlled Foreign Corporations</i>	Industry, country of incorporation	Spring 2008, Vol. 27, No. 4
Interest Charge Domestic International Sales Corporation	Every fourth year	Form 1120— <i>IC-DISC—Interest Charge Domestic International Sales-Corporation Return</i>	Product or service	Winter 2010, Vol. 29, No. 3
Entity Classification	Continuous	Form 8832— <i>Entity Classification Election</i>	Data available upon request only	Not Applicable
Foreign Partnerships Controlled by U.S. Partners	Every fourth year	Form 8865— <i>Return of U.S. Persons with Respect to Certain Foreign Partnerships</i>	Data available upon request only	Not Applicable
Individual Foreign Tax Credit and Foreign Earned Income	Every fifth year	Form 1040— <i>U.S. Individual Income Tax Return</i> , Form 1116— <i>Foreign Tax Credit</i> , and Form 2555— <i>Foreign Earned Income</i>	Country, size of adjusted gross income	Spring 2009, Vol. 28, No. 4
International Boycotts	Annually	Form 5713— <i>International Boycott Report</i>	Country making the boycott request, type of request	Spring 2009, Vol. 28, No. 4
Domestic Corporations Controlled by Foreign Persons	Annually	Forms 1120— <i>Corporate Income Tax Return</i>	Industry, country of residence of foreign owner, age of corporation	Summer 2009, Vol. 29, No. 1

Footnotes at end of table.

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Table 1. Summary of Current Sources of Data and Available Data for International Studies—Continued

Study	Frequency [1]	Sources of Data	Classified by	Latest SOI Bulletin Issue with Article
Foreign Corporations with U.S. Business Operations	Annually	Form 1120— <i>F U.S. Income Tax Return of a Foreign Corporation</i>	Industry, country of residence of foreign owner	Not Applicable
Foreign Recipients of U.S. Income	Annually	Form 1042S— <i>Foreign Person's U.S. Source Income Subject to Withholding</i>	Country of residence, principal type of income, and recipient type	Winter 2009, Vol. 28, No. 3
Foreign Investment and Real Property Tax Study	Planned	Form 8288— <i>U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests</i>	Data not yet available	Not applicable
Foreign Recipients of U.S. Partnership Income and Form 8288 U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests	Annually	Form 8805— <i>Foreign Partner's Information Statement of Section 1446 Withholding Tax</i>	Country of foreign recipient	Not Applicable
Foreign Trusts	Every fourth year	Form 3520— <i>Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts</i> and Form 3520-A— <i>Annual Information Return of a Foreign Trust with a U.S. Owner</i>	Country of foreign trust, size of net income or deficit	Fall 2009, Vol. 29, No. 2
Nonresident Alien Estates	Biannually	Form 706NA— <i>United States Estate (and Generation-skipping Transfer) Tax Return: Estate of Nonresident Not a Citizen of the United States</i>	Tax status, size of U.S. gross estate	Summer 2006, Vol. 26, No. 1

[1] Frequency refers to current frequency of study and may not reflect the frequency in prior years.

SOI Sampling Methodology and Data Limitations

This article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce the tabulated estimates, the

Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.

SOI Sampling Methodology and Data Limitations

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

weighted data are summed to produce the published statistical totals.

Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived

from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \end{array}$$

then:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = \{147,000, 153,000\} & \text{(68-percent confidence interval).} \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns

SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Tentative release date for the final draft
				Regular	With extensions of time		
Controlled Foreign Corporations [1]: Jason Wenrich	This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.	2008	June 2009	September 2009	March 2010	June 2010	October 31, 2011
Controlled Foreign Partnerships: Bill States	This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.	2008	June 2009	September 2009	March 2010	June 2010	December 31, 2011
Corporation Foreign Tax Credit [1]: Scott Luttrell Lissa Costa	This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.	2007 2008	June 2008 June 2009	September 2008 September 2009	March 2009 March 2010	June 2009 June 2010	October 31, 2010 October 31, 2011
Corporation Income Tax Returns [2]: Heather Parisi & Bill Rush Bill Rush & Kimberly Stockton	Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.	2008 2009	June 2009 June 2010	September 2009 September 2010	March 2010 March 2011	June 2010 June 2011	December 30, 2010 December 30, 2011
Disregarded Entities Study: Jason Wenrich	This semiannual study provides data on activities of foreign disregarded entities that are controlled by U.S. corporations. Data are classified by industry group and country.	2008	June 2009	September 2009	March 2010	June 2010	May 31, 2012
Entity Classification Election: John Comisky	This annual study provides data from all Entity Classification Elections, including the type of election and whether the entity is foreign or domestic.	2009	Election	Election	Election	December 2009	May 31, 2010
Estate Tax: Brian Raub Joseph Newcomb	This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2004 with returns filed in 2004–2006. The most recent data available are for returns filed in 2008.	2009 2010	[3] [3]	[3] [3]	[3] [3]	December 2009 December 2010	September 30, 2010 September 30, 2011

Footnotes at end of table.

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Tentative release date for the final draft
				Regular	With extensions of time		
Fiduciary Income Tax Study: Lisa Rosenmerkel Joseph Newcomb	This annual study provides data on income, deductions, gains, and losses reported by estates and trusts, as well as distributions to beneficiaries and income tax liability.	2009 2010	[5] [5]	[5] [5]	[5] [5]	December 2009 December 2010	September 30, 2010 September 30, 2011
Foreign-Controlled Domestic Corporations: James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.	2008	June 2009	September 2009	March 2010	June 2010	December 30, 2010
Foreign Recipients of U.S. Income: Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.	2008 2009	December 2008 December 2009	March 2009 March 2010	April 2009 April 2010	March 2010 March 2011	September 30, 2010 September 30, 2011
Foreign Trusts: Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2006.	2010	December 2010	April 2011	October 2011	March 2012	December 2012
Gift Tax: Darien Jacobson Melissa Belvedere	This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. The most recent available data are for Filing Year 2008.	2009 2010	[3] [3]	[3] [3]	[3] [3]	December 2009 December 2010	September 30, 2010 September 30, 2011
Individual Income Tax Returns: Maureen Keenan Kahr Scott Hollenbeck Mike Parisi	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.	2007 2008 2009	December 2007 December 2008 December 2009	April 2008 April 2009 April 2010	October 2008 October 2009 October 2010	December 2008 December 2009 December 2010	August 31, 2009 August 31, 2010 August 31, 2011
Interest-Charge Domestic International Sales Corporations: Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 2 years. The most recent study is for Tax Year 2006.	2008	June 2009	September 2009	March 2010	June 2010	February 28, 2011

Footnotes at end of table.

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Tentative release date for the final draft
				Regular	With extensions of time		
International Boycott Reports: Lissa Costa	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.	2008	June 2009	September 2009	March 2010	June 2010	October 31, 2010
Migration Flow and County Income Data: Emily Gross Kevin Pierce	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2006–2007.	2008 2009	December 2008 December 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	August 31, 2010 August 31, 2011
Noncash Charitable Contributions: Janette Wilson P.J. Liddell	This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .	2007 2008 2009	December 2007 December 2008 December 2009	April 2008 April 2009 April 2010	October 2008 October 2009 October 2010	December 2008 December 2009 December 2010	May 31, 2010 May 31, 2011 May 31, 2012
Nonfarm Sole Proprietorships: Jeff Curry Adrian Dungan	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, Profit or Loss From Business, for nonfarm proprietors, classified by industry group.	2007 2008 2009	December 2007 December 2008 December 2009	April 2008 April 2009 April 2010	October 2008 October 2009 October 2010	December 2008 December 2009 December 2010	August 31, 2009 August 31, 2010 August 31, 2011
Nonresident Alien Estate Tax: Melissa Belvedere	This annual study provides information on gross estates, including composition, deductions, and tax, of nonresident aliens who owned at least \$60,000 worth of property within the U.S. at time of death. The most recent available data are for returns filed in 2007.	2009 2010	[3] [3]	[3] [3]	[3] [3]	December 2009 December 2010	July 30, 2010 July 29, 2011
Partnership Returns of Income [4]: Tim Wheeler Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.	2008 2009	December 2008 December 2009	April 2009 April 2010	September 2009 September 2010	December 2009 December 2010	July 31, 2010 July 31, 2011
Partnership Withholding Study: Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.	2007 2008	December 2007 December 2008	April 2008 April 2009	October 2008 October 2009	September 2009 September 2010	May 31, 2010 May 31, 2011

Footnotes at end of table.

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Tentative release date for the final draft
				Regular	With extensions of time		
Personal Wealth Study: Brian Raub Joseph Newcomb	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the “estate multiplier” technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006.	2007	[3]	[3]	[3]	December 2009	September 30, 2011
S Corporations: Eurry Kim Heather Parisi	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.	2008 2009	June 2009 June 2010	September 2009 September 2010	March 2010 March 2011	June 2010 June 2011	December 30, 2010 December 30, 2011
Sales of Capital Assets Cross-Section: Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.	2007 2010	December 2007 December 2010	April 2008 April 2011	October 2008 October 2011	December 2008 December 2011	March 31, 2010 March 31, 2013
Sales of Capital Assets Panel: Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.	1999–2003 1999–2007	December 2007 December 2010	April 2008 April 2011	October 2008 October 2011	December 2008 December 2011	August 31, 2009 August 31, 2012
Split-Interest Trust Information: Lisa Rosenmerkel	This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2008.	2009 2010	[5] [5]	[5] [5]	[5] [5]	December 2009 December 2010	September 30, 2010 September 30, 2011
Tax-Exempt Bond Issues: Cynthia Belmonte Aaron Barnes	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Issue Year 2007 public purpose bonds and private activity bonds.	2008 2009	[6] [6]	[6] [6]	[6] [6]	December 2009 December 2010	June 30, 2010 June 30, 2011

Footnotes at end of table.

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Tentative release date for the final draft
				Regular	With extensions of time		
Tax-Exempt Organizations (Except Private Foundations) [7]: Paul Arnsberger Mike Graham	This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007–2008.	2007 2008	November 2008 November 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	July 30, 2010 July 29, 2011
Tax-Exempt Organizations, (Private Foundations) [7]: Cynthia Belmonte Mike Graham	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007–2008.	2007 2008	November 2008 November 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	July 30, 2010 July 29, 2011
Tax-Exempt Organizations, Unrelated Business Income [7]: Jael Jackson	This annual study provides tabulations of unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007–2008.	2007 2008	November 2008 November 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	September 30, 2010 September 30, 2011
Transactions of Foreign-Controlled Corporations: Isaac Goodwin	This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.	2006 2008	June 2007 June 2009	September 2007 September 2009	March 2008 March 2010	June 2008 June 2010	April 2009 April 2011
ZIP Code Area Data: Mary Jezek	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004–2006 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: http://www.irs.gov/taxstats/article/0,,id=96947,00.html .	2008 2009	December 2008 December 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	September 30, 2010 September 30, 2011

[1] Data for 2006 represent accounting periods ending July 2006 through June 2007. Data for Study Year 2007 are similarly defined.

[2] Corporation statistics for 2007 represent accounting periods ended July 2007 through June 2008. Study Year 2008 is similarly defined.

[3] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.

[4] For Forms 1065 that are due after December 31, 2008, the automatic extension period was reduced from 6 months to 5 months.

[5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.

[6] Tax-exempt private activity governmental bond statistics are collected annually based on issue year. Arbitrage rebate and penalty are conducted biennially, for tax years ending in odd numbers.

[7] Data for 2006 represent tax years between December 2006 and November 2007. Study Year 2007 is similarly defined.

SOI Products and Services

Statistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS)**:

Statistical Information Services (sis@irs.gov)
Statistics of Income Division
Internal Revenue Service
P.O. Box 2608 • Washington, DC 20013-2608
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections and nonprofit Master File microdata records. At present, almost 12,000 files reside there.

Web site: www.irs.gov/taxstats

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: www.fedstats.gov.

Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

Business Tax Statistics

Corporations • International • Partnerships
Nonfarm Sole Proprietorships
S Corporations • All Topics

Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File
Private Foundations • Trusts
Tax-Exempt Bonds • All Topics

Individual Tax Statistics

Estate and Gift Tax • Individual Income
Tax • International Personal
Wealth • All Topics

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SOI Bulletins • IRS Data Books
U.S. Population Migration Data • SOI Paper Series
All Topics

IRS Operations, Budget, and Compliance

Issuing Refunds • Collecting Revenue
Enforcing Laws • Assisting Taxpayers
Historical Data Tables • All Topics

Statistics by Form

706 • 709 • 990 • 990-PF • 990-T
1040 • 1041 • 1065 • 1118 • 1120
5471 • 5472 • 8038 • All Forms

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Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

SOI Products and Services

Corporation Income Tax Returns

Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2007 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2007 *Source Books* are also available at no charge from the Tax Stats Web site at: www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html.

Individual Income Tax Returns

Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2005. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2005 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

County-to-County Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by county for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1991-2008. Price is \$200 per year for the entire United States or \$10 per State per year for Filing Years 1991-2004. All years for the entire United States are also available for \$500. Filing Years 2005-2008 are available at no cost at www.irs.gov/taxstats. Click on "U.S. Population Migration Data."

State-to-State Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by State for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the

number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1989-2008. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989-2004. Filing Years 2005-2008 are available at no cost at www.irs.gov/taxstats. Click on "U.S. Population Migration Data."

County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2007 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989-2003. Filing Years 2005-2008 are available at no cost at www.irs.gov/taxstats. Click on "U.S. Population Migration Data."

ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2007 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to www.irs.gov, select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

Tax-Exempt Organizations

Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in In-

ternal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

Microdata Records for Tax Year 2007

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,042 Internal Revenue Code section 501(c)(3) organizations and 6,555 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html, or may be purchased on CD-ROM for \$20.

Microdata Records for Tax Years 1992-2006

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html, or may be purchased on CD-ROM for \$20.

Private Foundations (and Charitable Trusts)

Microdata Records for Tax Year 2007

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 12,776 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses,

assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html, or may be purchased for \$20.

Microdata Records for Tax Years 1992-2006

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html, or may be purchased for \$20.

Publications

Statistics of Income—2007, Corporation Source Book

*Publication 1053, Price: \$175,
plus \$10 for shipping and handling*

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2007, is also for sale at \$175 per year, plus \$10 for shipping and handling.

Compendium of Federal Estate Tax and Personal Wealth Studies

*Publication 1773, Price: \$26,
plus \$10 for shipping and handling*

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composi-

SOI Products and Services

tion of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

Superintendent of Documents

P.O. Box 371954
Pittsburgh, PA 15250-7954

* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

Statistics of Income—2007, Corporation Income Tax Returns

Publication 16 Stock No. 048-004-02520-5
Price: \$52.00

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2007 through June 2008. Data are classified by industry, size of total assets, and size of business receipts. In addition, the 2006 report is available on SOI's Tax Stats Web site.

Statistics of Income—2007, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02514-1
Price: \$43 Foreign: \$60.20

This report presents more comprehensive and complete data on individual income tax returns for Tax Year 2007 than those published earlier in the *SOI Bulletin*.

Presents information on:

- sources of income
- exemptions
- itemized deductions
- tax computations

Classifies data by:

- size of adjusted gross income
- marital status
- type of tax computation
- age

IRS Data Book, 2009

Annually, Publication 55B, Stock No. 048-004-02518-3
Price: \$13.75 International: \$19.25

This volume pertains to Fiscal Year (FY) 2009—October 1, 2008, through September 30, 2009. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2010 issue of the Data Book will be available in late March 2011.

Statistics of Income Bulletin

Quarterly, Publication 1136, Stock No. 748-005-00000-5
Subscription price: \$67 International: \$93.80
Spring 2010 Single copy, Stock No. 748-005-00103-6
Single copy price: \$44 International: \$61.60

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.