

Foreign-Controlled Domestic Corporations, 2008

by James R. Hobbs

For Tax Year 2008, the 66,797 U.S. domestic corporations, each controlled by a foreign “person,” generated \$4.4 trillion of total receipts with \$10.9 trillion of total assets, based on information reported on corporation income tax returns filed with the Internal Revenue Service (IRS). A “person” is an entity, including an individual, corporation, partnership, estate, or trust. “Foreign-controlled domestic corporation” returns were relatively few in number, just 1.1 percent of the total U.S. corporation income tax returns filed. However, they accounted for 15.3 percent of the receipts and 14.2 percent of the assets reported on all U.S. corporation income tax returns.¹

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 \$21.8 billion for 2008. This was an 85.7-percent decrease from the amount reported for the prior year. Placed in context, the profits reported on all corporation income tax returns decreased by 46.4 percent from the prior year, to \$1.0 trillion for 2008.² FCDCs accounted for 2.2 percent of the profits reported by all corporations for 2008, down from 8.3 percent for 2007.

Of the 66,797 FCDCs, 28,399 reported positive profits for 2008, totaling \$172.9 billion. This was a 23.7-percent decrease from the prior-year amount. These profitable companies for 2008 also reported \$140.2 billion of taxable income (i.e., “income subject to tax”), once again a decrease of 23.7 percent from the prior year. The U.S. tax liability (i.e., “total income tax after credits”) of FCDCs was \$38.2 billion for 2008, 27.6 percent less than that of the prior year.

For 2008, there were 4,400 “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: 94.6 percent of total assets, 95.2 percent of total receipts, 96.4 percent of profits, 94.3 percent of taxable income, and 93.2 percent of total income tax after credits. After an overview of all FCDCs, this article focuses on these large foreign-controlled domestic corporations, and it includes a comparison of the “oldest and largest” FCDCs to other old and large domestic corporations (i.e., those not controlled by foreign persons). “Old” corporations are those with dates of incorporation prior to 2006 or with unknown dates of incorporation.

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 2008. Tables 2, 3, and 4 concentrate on Tax Year 2008 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 “old and large” FCDCs for selected industries. For comparison purposes, this table also contains data for old and 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 in 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

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¹ For additional 2008 statistics covering foreign-controlled domestic corporations (FCDCs), see Tables 24 and 25 of *Statistics of Income—2008, Corporation Income Tax Returns*, IRS Publication 16, April 2011. Statistics for tax years prior to 2008 are available in earlier editions of Publication 16. Additionally, for 2007 statistics covering FCDCs, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2007,” *Statistics of Income Bulletin*, Summer 2010, Volume 30, 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, selected issues; (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—2008, Corporation Income Tax Returns*, IRS Publication 16, April 2011. Statistics for tax years prior to 2008 are available in earlier editions of Publication 16 and on the IRS Internet site at www.irs.gov, under Tax Stats/International/Foreign Corporations with U.S. Business Operations.

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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 time during the accounting period.⁵ (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. In-*

come 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.

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Growth of Corporations

The estimated numbers of returns filed by FCDCs have remained rather constant during the 10-year period of Tax Years 1999-2008. There were 59,514 returns of foreign-controlled domestic corporations for 1999 and 66,797 for 2008, a 12.2-percent increase. During this same time period, the total number of U.S. corporation income tax returns grew by 18.5 percent, from 4.9 million to 5.8 million. FCDCs generally comprised a slowly decreasing percentage of those returns, from 1.2 percent for 1999 down to 1.1 percent for 2008. 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 1999, 1120S returns comprised 55.2 percent of all corporation returns (2.7 million of the total 4.9 million returns); for 2008, 69.3 percent of all returns (4.0 million of the total 5.8 million returns). FCDCs are not eligible to elect to be treated as S corporations for Federal income tax purposes. (See "S corporations" in the Explanation of Selected Terms section of this article.)

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

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 2008, there were only 3,931 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$221.3 billion of assets, \$145.1 billion of receipts, \$6.8 billion of taxable income, and \$2.0 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.

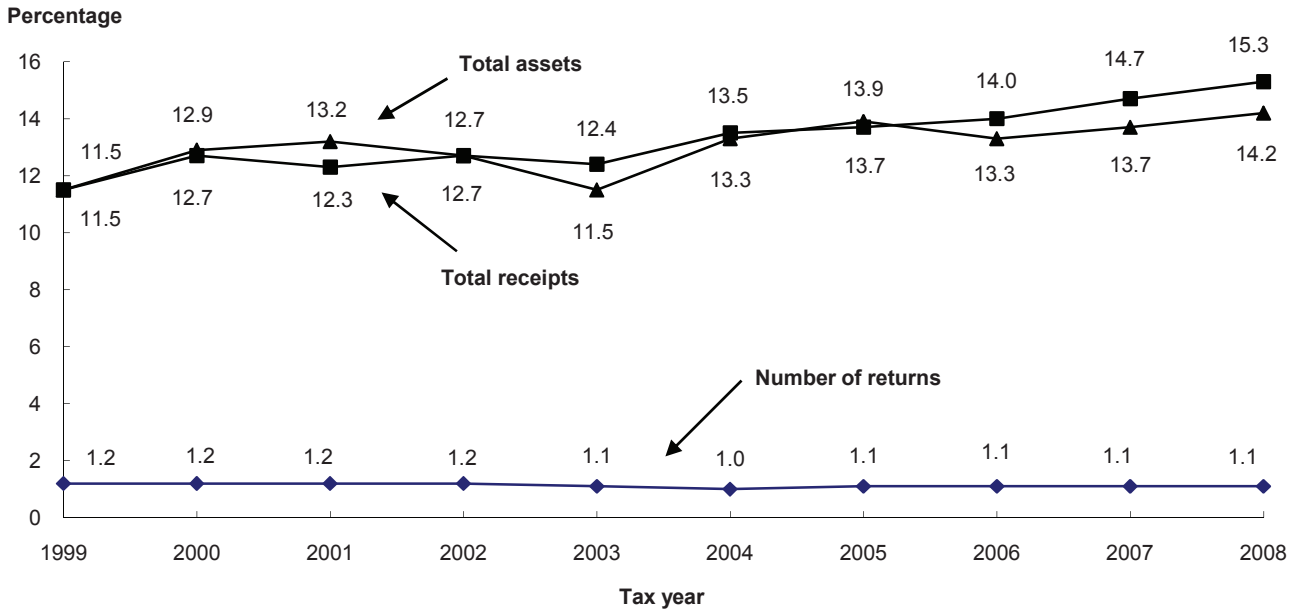
⁷ As a result of the Statistics of Income (SOI) sampling process, data shown in this article for "all corporations" exclude certain out-of-scope returns, such as returns for homeowners' associations (Form 1120-H) and certain political organizations (Form 1120-POL). For a more complete listing of the returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income—2008, Corporation Income Tax Returns*. On the other hand, in addition to legally defined corporations, the Internal Revenue Code recognizes many types of businesses as corporations, including joint stock companies and unincorporated associations (e.g., certain partnerships, savings and loan associations, and mutual savings banks). These organizations possess characteristics typical of the corporate form, such as continuity of life, limited liability of owners, and transferability of shares of capital ownership. They filed Forms 1120 and were included in the SOI corporation sample.

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Figure A

Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 1999–2008



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 domestic corporations. For 2008, there were 6,197 consolidated returns filed by FCDCs, 9.3 percent of all FCDC returns. These returns accounted for the majority of economic activity reported by all FCDCs. Specifically, they accounted for \$9.6 trillion of assets (88.3 percent of the total for all FCDCs), \$3.8 trillion of receipts (86.6 percent of the total), \$14.2 billion of profits (65.2 percent of the total), \$120.9 billion of taxable income (86.2 percent of the total), and \$32.4 billion of total income tax after credits (84.8 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 between 1999 and 2008.

The assets of domestic corporations controlled by foreign persons increased by 128.7 percent between 1999 and 2008, as compared to the 85.2-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 11.5 percent for 1999 to 14.2 percent for 2008 (Figure A).

Total receipts of FCDCs increased by 101.5 percent between 1999 and 2008, as compared to the

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 1999 and 2008 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.

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increase of 51.3 percent for all corporations. As a result, the share of the receipts reported on all corporate returns attributed to FCDCs increased from 11.5 percent for 1999 to 15.3 percent for 2008.

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 2008, 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, 45,860 of the 66,797 (more than two-thirds of the total) had primary business activities in one of the following four industrial sectors: (1) wholesale trade (16,211); (2) real estate and rental and leasing (12,881); (3) professional, scientific, and technical services (8,918); and (4) manufacturing (7,850). By comparison, relatively few FCDCs were primarily involved in utilities (250), health care and social assistance (89), and educational services (13). The Data Sources and Limitations section discusses how returns were classified by industry.¹⁰

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

Figure B

Foreign-Controlled Domestic Corporations: Selected Items, by Industrial Sector, Tax Year 2008

[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 | 66,797 | 100.0 | 10,887,289 | 100.0 | 4,367,410 | 100.0 |
| Agriculture, forestry, fishing, and hunting | 823 | 1.2 | 6,183 | 0.1 | 3,438 | 0.1 |
| Mining | 708 | 1.1 | 191,849 | 1.8 | 86,126 | 2.0 |
| Utilities | 250 | 0.4 | 146,193 | 1.3 | 62,653 | 1.4 |
| Construction | 1,594 | 2.4 | 48,490 | 0.4 | 55,284 | 1.3 |
| Manufacturing | 7,850 | 11.8 | 2,578,206 | 23.7 | 2,018,705 | 46.2 |
| Wholesale and retail trade | 19,810 | 29.7 | 695,042 | 6.4 | 1,122,809 | 25.7 |
| Wholesale trade | 16,211 | 24.3 | 609,569 | 5.6 | 984,088 | 22.5 |
| Retail trade | 3,600 | 5.4 | 85,472 | 0.8 | 138,720 | 3.2 |
| Transportation and warehousing | 1,730 | 2.6 | 75,649 | 0.7 | 69,076 | 1.6 |
| Information | 2,346 | 3.5 | 292,536 | 2.7 | 111,938 | 2.6 |
| Finance and insurance | 3,361 | 5.0 | 5,065,415 | 46.5 | 509,053 | 11.7 |
| Real estate and rental and leasing | 12,881 | 19.3 | 179,054 | 1.6 | 26,316 | 0.6 |
| Professional, scientific, and technical services | 8,918 | 13.4 | 195,577 | 1.8 | 104,512 | 2.4 |
| Management of companies (holding companies) | 2,500 | 3.7 | 1,244,448 | 11.4 | 90,963 | 2.1 |
| Administrative and support and waste management and remediation services | 1,223 | 1.8 | 61,341 | 0.6 | 48,190 | 1.1 |
| Educational services | 13 | [1] | 4,221 | [1] | 1,762 | [1] |
| Health care and social assistance | 89 | 0.1 | 36,929 | 0.3 | 13,167 | 0.3 |
| Arts, entertainment, and recreation | 682 | 1.0 | 12,307 | 0.1 | 5,650 | 0.1 |
| Accommodation and food services | 1,424 | 2.1 | 46,832 | 0.4 | 29,959 | 0.7 |
| Other services | 592 | 0.9 | 7,018 | 0.1 | 7,809 | 0.2 |

[1] Less than 0.05 percent.

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

¹⁰ Statistics classified by industry do have certain limitations. For example, FCDCs accounted for 24.9 percent and 24.7 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 \$1.61 of receipts for each dollar of end-of-year assets for 2008. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDCs produced only \$.07 of receipts for each dollar of end-of-year assets. See Table 2.

Corporations classified as wholesalers accounted for 22.5 percent of the receipts for all FCDCs, a significant percentage, as is the 24.3 percent of the total FCDC returns they comprised. However, these companies reported only 5.6 percent of the total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.6 percent of the assets and 0.6 percent of the receipts of all FCDCs. These percentages were both substantially less than the 19.3 percent of the FCDC returns that they filed.

Corporations classified in the professional, scientific, and technical services industrial sector reported only 1.8 percent of the assets and 2.4 percent of the receipts of all FCDCs. Both of these percentages are significantly lower than the portion (13.4 percent) of total FCDC returns this service sector represented. These service corporations were often small, with reported average amounts of assets and receipts of \$21.9 million and \$11.7 million, respectively.

Manufacturing corporations filed 11.8 percent of the FCDC returns for 2008. These capital-intensive, goods-producing companies accounted for far greater percentages of the total FCDC assets (23.7 percent) and receipts (46.2 percent). These corporations were often large, with reported average amounts of assets and receipts of \$328.4 million and \$257.2 million, respectively.

Two additional sectors warrant discussion. While corporations classified in the finance and insurance industrial sector composed only 5.0 percent of the total returns filed by FCDCs for 2008, they accounted for the largest share (46.5 percent) of the total assets reported for any of the industrial sectors. Additionally, finance and insurance companies accounted for 11.7 percent of the total FCDC receipts.

Management (or holding) companies contributed a significant portion (11.4 percent) of the FCDC total

assets. However, this sector accounted for smaller portions of both the number of returns (3.7 percent) filed by FCDCs and the receipts (2.1 percent) reported by them.

While foreign-controlled domestic corporations accounted for 15.3 percent of the \$28.6 trillion of total receipts reported by all corporations filing U.S. income tax returns for 2008, these companies played disproportionately larger roles in certain industrial sectors. For instance, FCDCs produced substantial portions of the total receipts reported for wholesale trade (24.9 percent), manufacturing (24.7 percent), and mining (18.4 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 agriculture, forestry, fishing, and hunting (2.1 percent), and health care and social assistance (2.0 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 2008, FCDCs in 17 minor industries each reported more than \$50 billion of total receipts. See Figure D. The largest minor industry was petroleum manufacturing refineries with \$749 billion of receipts. FCDCs in this minor industry accounted for 17.1 percent of the receipts of FCDCs in all industries, and for 32.3 percent of the receipts of all corporations classified in the petroleum manufacturing refineries industry.

Country Characteristics

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

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Figure C

Total Receipts of All Corporations and Foreign-Controlled Domestic Corporations, by Industrial Sector, Tax Year 2008

[Money amounts are in millions of dollars]

| Industrial sector | Total receipts | | |
|--|-------------------|--|-------------|
| | All corporations | Foreign-controlled domestic corporations | Percentage |
| | (1) | (2) | (3) |
| All industries [1] | 28,589,771 | 4,367,410 | 15.3 |
| Agriculture, forestry, fishing, and hunting | 167,541 | 3,438 | 2.1 |
| Mining | 468,911 | 86,126 | 18.4 |
| Utilities | 778,635 | 62,653 | 8.0 |
| Construction | 1,479,039 | 55,284 | 3.7 |
| Manufacturing | 8,181,480 | 2,018,705 | 24.7 |
| Wholesale and retail trade | 7,507,396 | 1,122,809 | 15.0 |
| Wholesale trade | 3,956,696 | 984,088 | 24.9 |
| Retail trade | 3,550,700 | 138,720 | 3.9 |
| Transportation and warehousing | 822,029 | 69,076 | 8.4 |
| Information | 1,126,108 | 111,938 | 9.9 |
| Finance and insurance | 3,675,481 | 509,053 | 13.8 |
| Real estate and rental and leasing | 338,720 | 26,316 | 7.8 |
| Professional, scientific, and technical services | 1,050,083 | 104,512 | 10.0 |
| Management of companies (holding companies) | 1,027,864 | 90,963 | 8.8 |
| Administrative and support and waste management and remediation services | 497,308 | 48,190 | 9.7 |
| Educational services | 47,731 | 1,762 | 3.7 |
| Health care and social assistance | 643,838 | 13,167 | 2.0 |
| Arts, entertainment, and recreation | 104,316 | 5,650 | 5.4 |
| Accommodation and food services | 468,856 | 29,959 | 6.4 |
| Other services | 204,259 | 7,809 | 3.8 |

[1] Includes "Not allocable" (which is not shown separately) for all corporations shown in Column 1.

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

necessarily reflect the country of the ultimate owner. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.)

For 2008, residents of 43 countries accounted for nearly 9 of every 10 domestic corporations classified as 50-percent-or-more controlled by a foreign person. The 58,810 corporations controlled by persons resident in the 43 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.5 percent of total assets, 99.2 percent of total receipts, 98.6 percent of taxable income, and 98.4 percent of total income tax after credits.

From among these 43 countries, domestic corporations controlled by persons from just 7 countries produced 76.1 percent of the total receipts of all FCDCs. These top seven countries, in decreasing size of receipts, are the United Kingdom, Japan, Germany, Canada, France, the Netherlands, and Switzerland.

Domestic corporations controlled by persons resident in the United Kingdom reported total receipts of \$1.1 trillion for 2008, an amount larger than that for any other country. These receipts represented 24.1 percent of the total for all FCDCs. As shown in Figure E, the United Kingdom's share of 2008 FCDC receipts is substantially larger than its share of 1999 FCDC receipts (i.e., 14.3 percent).

For 2008, domestic corporations with owners resident in Japan (\$585 billion), Germany (\$432 billion), Canada (\$397 billion), France (\$295 billion), the Netherlands (\$293 billion), and Switzerland (\$271 billion) also accounted for significant amounts of receipts. Of these six countries, Japan's portion of total receipts decreased significantly between 1999 and 2008 (from 21.0 percent to 13.4 percent), as did the portions for Germany (14.4 percent down to 9.9 percent) and the Netherlands (12.4 percent down to 6.7 percent). Figure E shows that the portion of

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Figure D

Foreign-Controlled Domestic Corporations: Selected Items for the Largest Minor Industries, Tax Year 2008

[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 | 657,322 | 748,810 | 23,118 | 23,971 | 23,862 | 3,882 | 0.5 |
| Stock life insurance companies | 60 | 1,406,720 | 248,290 | -9,813 | 2,570 | 2,330 | 708 | 0.3 |
| Motor vehicles and parts (manufacturers) | 765 | 364,023 | 195,310 | -9,376 | 704 | 418 | 107 | 0.1 |
| Petroleum and petroleum products (wholesalers) | 62 | 53,178 | 168,746 | 1,186 | 2,035 | 1,827 | 623 | 0.4 |
| Electrical and electronic goods (wholesalers) | 1,911 | 96,628 | 161,624 | 264 | 1,601 | 1,064 | 343 | 0.2 |
| Motor vehicles and motor vehicle parts and supplies (wholesalers) | 977 | 118,818 | 152,106 | -5,215 | 611 | 391 | 137 | 0.1 |
| Pharmaceutical and medicine (manufacturers) | 115 | 287,820 | 140,755 | 17,096 | 19,189 | 18,245 | 5,111 | 3.6 |
| Securities brokerage | 109 | 1,291,802 | 94,936 | -35,665 | 887 | 778 | 268 | 0.3 |
| Offices of bank holding companies | 32 | 1,148,485 | 83,963 | -3,763 | 3,242 | 3,263 | 974 | 1.2 |
| Professional and commercial equipment and supplies (wholesalers) | 2,551 | 44,350 | 73,304 | 199 | 1,426 | 1,035 | 300 | 0.4 |
| Food and beverage stores (retailers) | 53 | 33,597 | 69,097 | 555 | 1,505 | 1,454 | 502 | 0.7 |
| Furniture, sports, toys, recycle, jewelry, and other durable goods (wholesalers) | 2,235 | 29,659 | 68,404 | 364 | 1,302 | 1,189 | 406 | 0.6 |
| Basic chemicals (manufacturers) | 110 | 86,431 | 67,984 | -983 | 1,299 | 1,029 | 311 | 0.5 |
| Machinery, equipment, and supplies (wholesalers) | 3,034 | 43,550 | 62,887 | 964 | 1,695 | 1,535 | 513 | 0.8 |
| Stock property and casualty insurance companies | 130 | 399,408 | 59,200 | 2,013 | 5,929 | 4,848 | 1,407 | 2.4 |
| Metal and mineral, except petroleum (wholesalers) | 311 | 37,489 | 54,623 | 931 | 1,526 | 1,475 | 504 | 0.9 |
| Iron, steel mills and steel products (manufacturers) | 75 | 56,184 | 54,566 | 2,491 | 2,752 | 2,668 | 1,001 | 1.8 |

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.

FCDC total receipts accounted for by countries other than the largest seven increased in size over the 10-year period, from 16.9 percent to 23.8 percent. For 2008, the countries with the largest receipts included in this “other” grouping were: Sweden (\$94 billion), Bermuda (\$86 billion), South Korea (\$78 billion), Belgium (\$68 billion), Luxembourg (\$64 billion), and Australia (\$52 billion).

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$2.5 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in Switzerland (\$1.3 trillion), Germany (\$1.2 trillion), Canada (\$1.2 trillion), France (\$1.1 trillion), the Netherlands (\$1.1 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 2008, the United Kingdom was not responsible for the largest number of returns filed

for FCDCs. Canadian-controlled domestic corporations filed the most returns, 10,132. Japanese-controlled domestic corporations were second with 6,108 returns, followed by U.K.-controlled domestic corporations with 5,524 returns and German-controlled domestic corporations with 4,346 returns.

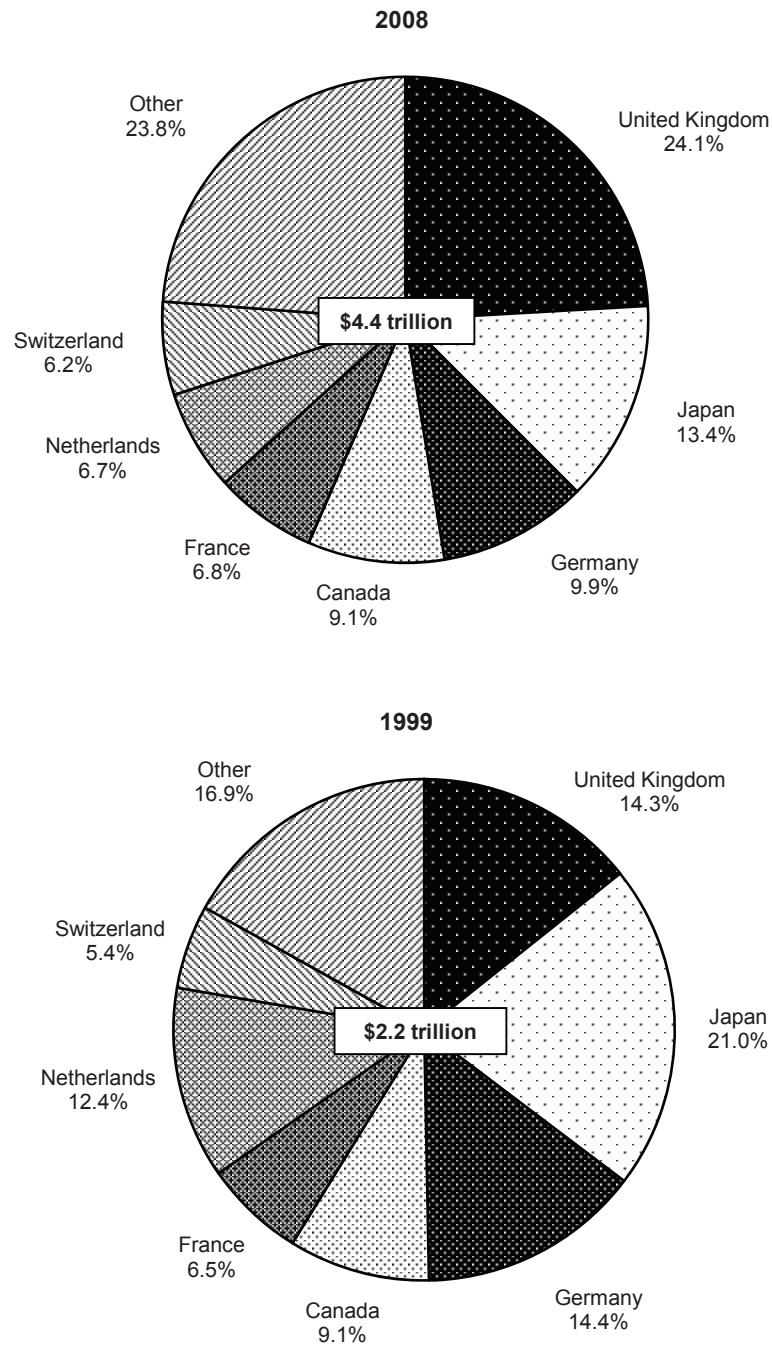
For 2008, the U.S. tax liability of all FCDCs was \$38.2 billion, or 0.9 percent of the \$4.4 trillion of receipts reported by all FCDCs. U.K.-controlled domestic corporations reported the largest amount of U.S. tax liability (\$9.0 billion). Canadian-controlled corporations, with \$4.5 billion of tax liability, and Swiss-controlled corporations, with \$4.2 billion of tax liability, followed. For the U.K.-controlled corporations, tax liabilities were 0.9 percent of their \$1.1 trillion of receipts. Tax liabilities as a percent of receipts were somewhat higher at 1.1 percent for Canadian-controlled corporations, and even higher for Swiss-controlled corporations at 1.6 percent of their receipts. Many factors, including differences

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Figure E

Foreign-Controlled Domestic Corporations: Distribution of Total Receipts by Country of Foreign Owner, Tax Years 1999 and 2008



NOTE: All amounts are in current dollars.

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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 70.5 percent of its total \$1.1 trillion of receipts. More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group, accounting for \$616 billion, or 58.6 percent of the country total.

Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$585 billion of receipts: wholesale trade (54.3 percent of the total) and manufacturing (33.2 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 43.8 percent of the total receipts for this country. The second largest major industrial group was transportation equipment manufacturing with 18.6 percent of the receipts.

Like those in the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 49.2 percent of the \$432 billion of receipts for that country coming from corporations in this industrial sector. Within this sector, chemical manufacturers (14.6 percent of the country total) and transportation equipment manufacturers (13.8 percent) produced the most receipts. Wholesale trade (17.1 percent of the country total) and finance and insurance (12.0 percent) were the other predominant industrial sectors.

Canadian-controlled corporations were primarily concentrated in manufacturing, which accounted for 30.5 percent of the \$397 billion of receipts for that country. This sector was followed by finance and insurance (22.0 percent) and wholesale trade (19.3 per-

cent). More specifically, insurance carriers reported 17.8 percent of the total receipts and wholesalers of nondurable goods accounted for 12.7 percent of the receipts.

For France, manufacturers produced 45.5 percent of the \$295 billion of receipts for this country. This was followed by finance and insurance (19.0 percent) and wholesale trade (16.2 percent). More specifically, petroleum and coal products manufacturers and insurance carriers produced 14.5 percent and 10.5 percent, respectively, of the receipts for the country.

For the Netherlands, finance and insurance was the largest industrial sector with 37.5 percent of the total receipts (\$293 billion). This sector was followed by manufacturing (24.1 percent), wholesale trade (11.5 percent), and retail trade (11.2 percent). Insurance carriers reported 31.9 percent of the total receipts for this country, the largest portion for any major industrial group.

For Switzerland, 35.3 percent of the \$271 billion of receipts came from the manufacturing sector, followed by wholesale trade with 31.9 percent and finance and insurance with 27.3 percent. More specifically, wholesalers of nondurable goods (27.8 percent of the country total) were the leading major industry. Other important major industries were chemical manufacturers (16.8 percent), businesses that handled securities and commodity contracts and other financial investments (14.9 percent), and insurance carriers (12.1 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 2006 or after, as reported on its income tax return. An “old” corporation is one incorporated in or prior to 2005, 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 corporations. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year of incorporation of the parent company. Another example

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 2008

[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 | 5,524 | 2,461,016 | 1,051,104 | 30,791 | 43,090 | 40,212 | 8,955 | 0.9 |
| Manufacturing | 518 | 834,440 | 740,923 | 29,141 | 30,640 | 29,401 | 5,639 | 0.8 |
| Petroleum and coal products manufacturing | 3 | 619,912 | 615,816 | 22,117 | 22,117 | 22,031 | 3,255 | 0.5 |
| Japan, total | 6,108 | 767,073 | 584,521 | -2,729 | 14,867 | 11,695 | 3,606 | 0.6 |
| Manufacturing | 1,049 | 202,914 | 194,199 | -4,862 | 2,910 | 2,419 | 725 | 0.4 |
| Transportation equipment manufacturing | 236 | 127,713 | 108,579 | -5,375 | 421 | 229 | 70 | 0.1 |
| Wholesale trade | 1,648 | 192,532 | 317,165 | 2,189 | 6,976 | 5,388 | 1,752 | 0.6 |
| Wholesale trade, durable goods | 1,374 | 149,504 | 255,797 | -1,226 | 3,338 | 2,936 | 949 | 0.4 |
| Wholesale trade, nondurable goods | 273 | 42,979 | 61,344 | 3,407 | 3,630 | 2,445 | 800 | 1.3 |
| Germany, total | 4,346 | 1,225,241 | 431,607 | -7,666 | 12,182 | 8,513 | 2,595 | 0.6 |
| Manufacturing | 921 | 391,191 | 212,307 | -455 | 5,375 | 4,376 | 1,202 | 0.6 |
| Chemical manufacturing | 54 | 72,593 | 62,950 | 1,535 | 2,062 | 1,656 | 516 | 0.8 |
| Transportation equipment manufacturing | 71 | 207,457 | 59,491 | -3,353 | 89 | 56 | 18 | [1] |
| Wholesale trade | 1,252 | 82,527 | 73,947 | -2,109 | 1,057 | 949 | 307 | 0.4 |
| Wholesale trade, durable goods | 1,043 | 76,709 | 62,914 | -2,134 | 747 | 659 | 222 | 0.4 |
| Finance and insurance | 100 | 600,864 | 51,684 | -6,022 | 1,235 | 856 | 264 | 0.5 |
| Canada, total | 10,132 | 1,220,119 | 396,848 | 7,548 | 20,825 | 13,904 | 4,470 | 1.1 |
| Manufacturing | 1,051 | 98,718 | 121,174 | 1,240 | 4,007 | 3,449 | 1,131 | 0.9 |
| Wholesale trade | 1,643 | 53,188 | 76,441 | 3,114 | 3,477 | 3,039 | 1,004 | 1.3 |
| Wholesale trade, nondurable goods | 481 | 41,550 | 50,506 | 2,615 | 2,767 | 2,389 | 787 | 1.6 |
| Finance and insurance | 423 | 658,819 | 87,139 | 4,871 | 9,450 | 4,380 | 1,274 | 1.5 |
| Insurance carriers and related activities | 36 | 398,627 | 70,798 | 937 | 4,263 | 3,912 | 1,114 | 1.6 |
| France, total | 2,024 | 1,138,540 | 295,410 | 7,467 | 16,168 | 11,653 | 3,365 | 1.1 |
| Manufacturing | 497 | 207,250 | 134,530 | 2,713 | 4,654 | 4,131 | 1,302 | 1.0 |
| Petroleum and coal products manufacturing | d | 10,160 | 42,726 | 109 | 109 | 109 | 37 | 0.1 |
| Wholesale trade | 392 | 42,210 | 47,760 | 827 | 1,083 | 1,008 | 335 | 0.7 |
| Finance and insurance | 158 | 702,571 | 56,224 | -1,259 | 4,139 | 1,149 | 367 | 0.7 |
| Insurance carriers and related activities | 29 | 175,900 | 31,127 | -2,750 | 143 | 72 | 27 | 0.1 |
| Netherlands, total | 1,873 | 1,075,971 | 292,575 | -164 | 7,937 | 5,403 | 1,696 | 0.6 |
| Manufacturing | 168 | 112,617 | 70,630 | 3,012 | 3,613 | 2,614 | 830 | 1.2 |
| Wholesale trade | 330 | 17,147 | 33,710 | 119 | 465 | 334 | 111 | 0.3 |
| Retail trade | 248 | 18,456 | 32,623 | -1,190 | 94 | 63 | 18 | 0.1 |
| Finance and insurance | 119 | 802,912 | 109,795 | -2,601 | 1,985 | 1,133 | 351 | 0.3 |
| Insurance carriers and related activities | 15 | 570,821 | 93,266 | -3,727 | 384 | 235 | 39 | [1] |
| Switzerland, total | 1,420 | 1,271,917 | 270,527 | -22,690 | 13,895 | 13,015 | 4,243 | 1.6 |
| Manufacturing | 184 | 125,606 | 95,572 | 6,379 | 8,627 | 8,262 | 2,717 | 2.8 |
| Chemical manufacturing | 39 | 64,655 | 45,380 | 4,502 | 6,115 | 5,997 | 1,984 | 4.4 |
| Wholesale trade | 356 | 18,183 | 86,404 | 823 | 1,081 | 1,046 | 332 | 0.4 |
| Wholesale trade, nondurable goods | 40 | 11,937 | 75,278 | 754 | 839 | 827 | 258 | 0.3 |
| Finance and insurance | 56 | 1,108,726 | 73,771 | -30,379 | 3,168 | 2,752 | 895 | 1.2 |
| Securities, commodity contracts, and other financial investments and related activities | 18 | 850,976 | 40,258 | -29,371 | 163 | 169 | 57 | 0.1 |
| Insurance carriers and related activities | 17 | 252,071 | 32,796 | -1,060 | 2,932 | 2,512 | 813 | 2.5 |

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 seven 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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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 2008, there were 16,224 FCDCs incorporated in 2006 or later. Professional, scientific, and technical services accounted for the largest portion of these “new” corporations with 4,144 companies, followed by real estate with 2,351 companies and wholesalers of nondurable goods with 2,310 companies.

More than three out of every four foreign-controlled domestic corporations were incorporated prior to 2006, i.e., considered to be “old” corporations. These corporations tended to be larger than the new corporations, accounting for 92.7 percent of the FCDC assets and 91.5 percent of the receipts.

Old corporations were generally more profitable than the newer corporations. Among other factors, newer companies may have had more expenses (including startup costs) relative to receipts than the older companies. For 2008, old corporations reported \$28.8 billion of net profits on \$4.0 trillion of receipts, while new corporations reported \$7.0 billion of net losses on \$0.4 trillion of receipts. Thus, net profits (i.e., net income less deficit) as a percentage of total receipts were 0.7 percent for old corporations, versus -1.9 percent for new corporations.

As a result of reporting most of the profits, old corporations also accounted for most of U.S. taxable income (94.2 percent) and U.S. tax liabilities (93.4 percent) of all FCDCs. The old corporations had \$35.7 billion of tax liabilities after credits, equaling 0.9 percent of their total receipts. The new corporations had \$2.5 billion of tax liabilities after credits, equaling 0.7 percent of their total receipts.

Receipts, Deductions, and Profits

Total receipts comprise 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 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

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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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.

More than 88 percent of the \$4.4 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 \$4.4 trillion of total deductions. Cost of goods sold was more than 65 percent of that total. (See “Business receipts” and “Cost of goods sold” in the Explanation of Selected Terms section.)

It is noteworthy to look at the “gross profit” of FCDCs. Gross profit is the difference between business receipts and cost of goods sold. Two important industrial sectors for FCDCs, manufacturing and wholesale trade, accounted for most of the reported amounts of business receipts and cost of goods sold. In manufacturing, FCDCs reported \$.79 of cost of goods sold for every dollar of business receipts, while the amount was \$.75 for all other corporations classified in this sector. Thus, FCDCs had smaller gross profits than other corporations, \$.21 compared to \$.25 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.

Taxable interest received by FCDCs for Tax Year 2008 amounted to \$288 billion, 6.6 percent of their total receipts. Interest paid by FCDCs for that year amounted to \$252 billion, 5.8 percent of their total deductions. Complete income statement statistics of FCDCs are shown in Tables 24 and 25 of *Statistics of Income—2008, Corporation Income Tax Returns*.

Total receipts less total deductions for FCDCs equaled \$15.5 billion for 2008. By comparison, net

income (less deficit) amounted to \$21.8 billion. The statistics for total receipts less total deductions include all income actually received by corporations, while the statistics for net income (less deficit) focus on taxable sources of corporate income, including “constructive” taxable income. Thus, unlike total receipts less total deductions, net income (less deficit) includes two items of constructive taxable income from related foreign corporations, and excludes nontaxable interest on State and local government obligations.¹³ The two items of constructive taxable income from related foreign corporations are includable income from foreign corporations owned by U.S. shareholders and foreign dividend gross-up. (See “Constructive taxable income from related foreign corporations” in the Explanation of Selected Terms section.) For 2008, FCDCs reported \$8.0 billion of constructive taxable income, and received \$1.7 billion of nontaxable interest on State and local government obligations.

Net income (less deficit) for foreign-controlled domestic corporations decreased from \$152.3 billion for 2007 to \$21.8 billion for 2008. This was a decrease of \$130.5 billion, or 85.7 percent. In comparison, net income (less deficit) reported on all corporation income tax returns decreased by 46.4 percent between 2007 and 2008, to \$984.3 billion.

Most industrial sectors contributed to the \$130.5 billion decrease in total FCDC net income (less deficit) between 2007 and 2008. Five sectors accounted for most of the decrease: finance and insurance (\$42.0 billion), manufacturing (\$33.1 billion), wholesale trade (\$16.5 billion), holding companies (\$13.5 billion), and information (\$6.2 billion). Within the finance and insurance sector, the net income (less deficit) of securities and commodity contracts dealers and insurance carriers declined the most, by \$22.0 billion and \$17.3 billion, respectively. There were four sectors that reported higher profits for 2008. However, the amounts of the increases were small for three of those sectors. The professional, scientific,

¹³ In general, the computation of net income (less deficit) can be shown as follows:

Begin With: Total Receipts (Includes Business Receipts)

Less: Total Deductions (Includes Cost of Goods Sold)

Equals: Total Receipts Less Total Deductions

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

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

Equals: Net Income (Less Deficit)

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and technical services sector reported \$1.3 billion of increased profits for 2008.

The \$21.8 billion of total FCDC net income (less deficit) for 2008 were the result of 28,399 corporations collectively reporting \$172.9 billion of positive net income and 38,398 companies reporting \$151.1 billion of deficits.¹⁴ Thus, less than one out of every two (42.5 percent) domestic corporations with foreign owners reported a positive net income. In comparison, 54.5 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 20.2 percent for health care and social assistance to a high of 69.2 percent for educational services. For the more predominant sectors of FCDCs, the percentages of profitable companies were 43.1 percent for manufacturing and 49.4 percent for wholesale trade.

The \$151.1 billion of deficits for 2008 could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see “Net operating loss deduction” (NOL) in the Explanation of Selected Terms section). Net operating losses carried back to Tax Year 2008 from 2009 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 2008 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 2008, the difference between the \$172.9 billion

of positive net income and \$140.2 billion of taxable income was, for the most part, the result of statutory special deductions. The net operating loss deduction was \$24.6 billion and accounted for 64.9 percent of the \$37.9 billion of total statutory special deductions. In calculating taxable income for 2008, FCDCs reduced their positive net incomes by 14.2 percent using NOLs carried over from prior years.

For 2008, foreign-controlled domestic corporations reported \$140.2 billion of taxable income. This was the base on which \$48.8 billion of income tax were computed. The \$49.4 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 \$0.5 billion, and the remaining taxes comprised a very small part of the total.

Tax credits totaling \$11.2 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations from \$49.4 billion to \$38.2 billion for 2008. The largest credits claimed were \$9.4 billion of foreign tax credits, \$1.3 billion of general business credits, and \$0.5 billion of prior-year minimum tax credits. The \$38.2 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 2008. 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 2008 was 31.3 percent, significantly less than the 34.7 percent for 2007. The amount of tax liability reported by FCDCs also decreased to \$38.2 billion for 2008 from \$52.8 billion for 2007, a 27.6-percent decrease.

¹⁴ The 38,398 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

¹⁵ When a company carried back a deficit to a previous tax year, it could file 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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The “Largest” Foreign-Controlled Domestic Corporations

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

Both size of assets and size of receipts were used to select the largest companies in order to ensure adequate coverage of all industries. As discussed, financial structure varies across industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their end-of-year assets. By comparison, credit intermediation corporations generally report large amounts of assets compared to their receipts. If either assets or receipts were used exclusively to select the largest companies, then the largest companies in one of these industrial groups would have been underrepresented in comparison to the other group.

There were a total of 19,406 large domestic corporations for 2008. Of this total, foreign persons controlled 4,400 corporations, or 22.7 percent. This percentage is remarkably larger than the 1.1 percent that FCDCs accounted for of all corporations, regardless of size.

The 4,400 large foreign-controlled domestic corporations comprised just 6.6 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 94.6 percent of the total assets, 95.2 percent of the total receipts, 94.3 percent of the taxable income, and 93.2 percent of the total income tax after credits, of all FCDCs.

There were 15,006 large domestic corporations that did not have controlling foreign owners for 2008. 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.

Collectively, the largest FCDCs reported slightly higher profits as a percentage of receipts than their smaller counterparts. For 2008, the largest FCDCs reported net profits of \$21.0 billion, 0.5 percent of the companies’ receipts. The smaller FCDCs reported net profits of \$0.8 billion, 0.4 percent of the companies’ receipts.

Figures G1 and G2 present 12 categories of tax liabilities as percentages of total receipts, shown separately for large FCDCs and for other large domestic corporations. “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, and Table 4. 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.

For 2008, the largest FCDCs reported \$35.6 billion of U.S. tax liabilities, which was 0.9 percent of their total receipts. Column 3 of Figure G1 shows that 40.2 percent of largest FCDCs had no U.S. tax liabilities, 72.5 percent of these companies had tax liabilities of less than 1.0 percent of their receipts, and 91.8 percent of these companies had tax liabilities of less than 4.0 percent of their receipts. By comparison, Figure G2 shows that large domestic corporations not foreign-controlled reported \$172.9 billion of U.S. tax liabilities, 1.1 percent of their total receipts. For these companies, 35.1 percent had no tax liabilities, 69.4 percent had tax liabilities of less than 1.0 percent of their receipts, and 89.3 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 2008, large FCDCs claimed \$11.1 billion of credits, equaling 23.7

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 G1

"Large" Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2008

[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 | 4,400 | 100.0 | N/A | 3,854 | 87.6 | 10,304,448 | 2,342 | 4,156,595 | 945 |
| Percentage of total income tax after credits divided by total receipts: | | | | | | | | | |
| Zero total receipts | 3 | 0.1 | 0.1 | d | d | 3,974 | 1,325 | 0 | 0 |
| Zero percent | 1,765 | 40.1 | 40.2 | 1,491 | 84.5 | 4,162,662 | 2,358 | 1,388,761 | 787 |
| Greater than zero and under 0.5 percent | 1,046 | 23.8 | 64.0 | 957 | 91.5 | 3,282,753 | 3,138 | 1,414,667 | 1,352 |
| 0.5 percent under 1.0 percent | 376 | 8.5 | 72.5 | 325 | 86.4 | 497,094 | 1,322 | 518,095 | 1,378 |
| 1.0 percent under 1.5 percent | 286 | 6.5 | 79.0 | 256 | 89.5 | 295,946 | 1,035 | 209,909 | 734 |
| 1.5 percent under 2.0 percent | 197 | 4.5 | 83.5 | 178 | 90.4 | 169,367 | 860 | 113,783 | 578 |
| 2.0 percent under 3.0 percent | 209 | 4.8 | 88.2 | 187 | 89.5 | 653,755 | 3,128 | 189,407 | 906 |
| 3.0 percent under 4.0 percent | 158 | 3.6 | 91.8 | 136 | 86.1 | 178,705 | 1,131 | 99,335 | 629 |
| 4.0 percent under 5.0 percent | 98 | 2.2 | 94.0 | 90 | 91.8 | 384,340 | 3,922 | 80,860 | 825 |
| 5.0 percent under 7.5 percent | 118 | 2.7 | 96.7 | 110 | 93.2 | 352,712 | 2,989 | 72,343 | 613 |
| 7.5 percent under 10.0 percent | 48 | 1.1 | 97.8 | d | d | 181,600 | 3,783 | 26,091 | 544 |
| 10.0 percent or more | 95 | 2.2 | 100.0 | 81 | 85.3 | 141,540 | 1,490 | 43,344 | 456 |

| 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 | 4,141,787 | 14,807 | 20,975 | 151,829 | -130,856 | 132,176 | 46,675 | 35,621 | 8 |
| Percentage of total income tax after credits divided by total receipts: | | | | | | | | | |
| Zero total receipts | 25 | -25 | -25 | 0 | -25 | 0 | 0 | 0 | 0 |
| Zero percent | 1,503,550 | -114,789 | -113,774 | 3,203 | -116,977 | 1,809 | 633 | 0 | 0 |
| Greater than zero and under 0.5 percent | 1,398,145 | 16,522 | 18,773 | 32,581 | -13,808 | 21,917 | 7,905 | 3,072 | 3 |
| 0.5 percent under 1.0 percent | 502,898 | 15,197 | 15,747 | 15,770 | -23 | 13,982 | 4,989 | 3,526 | 9 |
| 1.0 percent under 1.5 percent | 201,464 | 8,444 | 8,490 | 8,490 | 0 | 7,981 | 2,784 | 2,449 | 9 |
| 1.5 percent under 2.0 percent | 107,313 | 6,470 | 6,533 | 6,533 | 0 | 5,963 | 2,086 | 1,919 | 10 |
| 2.0 percent under 3.0 percent | 172,129 | 17,278 | 18,252 | 18,261 | -10 | 17,376 | 6,100 | 4,745 | 23 |
| 3.0 percent under 4.0 percent | 86,608 | 12,727 | 13,205 | 13,217 | -13 | 11,692 | 4,092 | 3,422 | 22 |
| 4.0 percent under 5.0 percent | 69,297 | 11,563 | 11,589 | 11,589 | 0 | 11,373 | 4,039 | 3,679 | 38 |
| 5.0 percent under 7.5 percent | 57,967 | 14,376 | 14,860 | 14,860 | 0 | 13,464 | 4,710 | 4,260 | 36 |
| 7.5 percent under 10.0 percent | 17,878 | 8,213 | 8,422 | 8,422 | 0 | 7,961 | 2,801 | 2,348 | 49 |
| 10.0 percent or more | 24,513 | 18,831 | 18,903 | 18,903 | 0 | 18,658 | 6,536 | 6,201 | 65 |

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 2006, 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.

percent of their income tax liabilities before credits. Other large domestic corporations claimed \$101.6 billion of credits for the same tax year, equaling 37.0 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$9.3 billion by large FCDCs (20.0 percent of their tax liabilities) and

\$90.3 billion by other large domestic corporations (32.9 percent of their tax liabilities).

Industry Characteristics

The industrial makeup of the largest foreign-controlled domestic companies is somewhat different from that of other large domestic corporations. For

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Figure G2

"Large" Domestic Corporations Not Foreign Controlled: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2008

[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 | 15,006 | 100.0 | N/A | 13,679 | 91.2 | 47,628,091 | 3,174 | 15,134,448 | 1,009 |
| Percentage of total income tax after credits divided by total receipts: | | | | | | | | | |
| Zero total receipts | 10 | 0.1 | 0.1 | 7 | 70.0 | 26,581 | 2,658 | 0 | 0 |
| Zero percent | 5,258 | 35.0 | 35.1 | 4,547 | 86.5 | 14,912,552 | 2,836 | 3,431,008 | 653 |
| Greater than zero and under 0.5 percent | 3,929 | 26.2 | 61.3 | 3,717 | 94.6 | 13,477,150 | 3,430 | 4,663,758 | 1,187 |
| 0.5 percent under 1.0 percent | 1,222 | 8.1 | 69.4 | 1,145 | 93.7 | 2,803,895 | 2,295 | 1,562,912 | 1,279 |
| 1.0 percent under 1.5 percent | 823 | 5.5 | 74.9 | 759 | 92.2 | 2,393,240 | 2,908 | 1,306,937 | 1,588 |
| 1.5 percent under 2.0 percent | 623 | 4.2 | 79.1 | 588 | 94.4 | 1,501,009 | 2,409 | 1,094,028 | 1,756 |
| 2.0 percent under 3.0 percent | 946 | 6.3 | 85.4 | 872 | 92.2 | 6,690,602 | 7,073 | 1,603,674 | 1,695 |
| 3.0 percent under 4.0 percent | 589 | 3.9 | 89.3 | 550 | 93.4 | 1,436,258 | 2,438 | 475,626 | 808 |
| 4.0 percent under 5.0 percent | 445 | 3.0 | 92.3 | 425 | 95.5 | 1,886,397 | 4,239 | 393,029 | 883 |
| 5.0 percent under 7.5 percent | 621 | 4.1 | 96.4 | 595 | 95.8 | 1,316,665 | 2,120 | 407,058 | 655 |
| 7.5 percent under 10.0 percent | 264 | 1.8 | 98.2 | 245 | 92.8 | 686,208 | 2,599 | 118,874 | 450 |
| 10.0 percent or more | 275 | 1.8 | 100.0 | 229 | 83.3 | 497,534 | 1,809 | 77,544 | 282 |

| 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 | 14,786,839 | 347,607 | 460,095 | 838,849 | -378,755 | 778,923 | 274,473 | 172,922 | 12 |
| Percentage of total income tax after credits divided by total receipts: | | | | | | | | | |
| Zero total receipts | 252 | -252 | -223 | 13 | -236 | 10 | 3 | 2 | [1] |
| Zero percent | 3,697,603 | -266,595 | -246,983 | 35,897 | -282,880 | 22,688 | 8,163 | 0 | 0 |
| Greater than zero and under 0.5 percent | 4,647,134 | 16,624 | 57,453 | 144,613 | -87,160 | 125,226 | 44,622 | 7,732 | 2 |
| 0.5 percent under 1.0 percent | 1,508,214 | 54,698 | 72,437 | 78,783 | -6,346 | 75,221 | 26,825 | 11,305 | 9 |
| 1.0 percent under 1.5 percent | 1,235,556 | 71,381 | 86,968 | 87,015 | -47 | 83,172 | 29,216 | 16,548 | 20 |
| 1.5 percent under 2.0 percent | 1,030,168 | 63,860 | 65,594 | 65,753 | -159 | 60,680 | 21,446 | 18,354 | 29 |
| 2.0 percent under 3.0 percent | 1,463,824 | 139,850 | 146,738 | 146,738 | 0 | 138,503 | 48,465 | 38,002 | 40 |
| 3.0 percent under 4.0 percent | 418,770 | 56,856 | 56,846 | 56,851 | -6 | 55,912 | 19,586 | 16,273 | 28 |
| 4.0 percent under 5.0 percent | 332,195 | 60,833 | 62,515 | 62,515 | 0 | 61,075 | 21,430 | 17,440 | 39 |
| 5.0 percent under 7.5 percent | 323,348 | 83,710 | 89,478 | 89,478 | 0 | 87,244 | 30,465 | 24,795 | 40 |
| 7.5 percent under 10.0 percent | 88,486 | 30,387 | 30,686 | 30,686 | 0 | 30,085 | 10,523 | 9,930 | 38 |
| 10.0 percent or more | 41,289 | 36,255 | 38,586 | 40,507 | -1,921 | 39,107 | 13,729 | 12,541 | 46 |

N/A—Not applicable.

[1] 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 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 2006, 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.

2008, 36.0 percent of the largest FCDCs were classified as manufacturers, while manufacturers made up just 21.2 percent of the largest domestic companies that were not foreign-controlled. Similarly,

wholesalers were a larger share of the FCDCs (27.5 percent) than of the other large domestic corporations (15.6 percent). Conversely, 12.7 percent of the largest ODCs were classified in finance and insurance,

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while this sector made up just 8.2 percent of the largest FCDCs. Retailers accounted for 9.3 percent of the largest domestic companies that were not foreign-controlled, while only 2.4 percent of the largest FCDCs were similarly classified. See Figure H for other differences in the industrial makeup of these two groups of corporations.

The largest domestic corporations are primarily “old” corporations, with incorporation dates prior to 2006. Of the 4,400 large FCDCs contained in the Tax Year 2008 study, 87.6 percent were old corporations. Other large domestic corporations were similar to the FCDCs in this respect, with old corporations accounting for 91.2 percent of this group of 15,006 corporations.

Table 4 presents industry data for “old and large” domestic corporations, both foreign- and nonforeign-controlled. This comparison used 3,854 FCDCs and 13,679 ODCs that were incorporated prior to 2006 and that had assets of \$250 million or more and/or receipts of \$50 million or more. Each of the industrial sectors and major groups shown in this table had at least \$50 billion of receipts by FCDCs.

Column 43 of Table 4 shows the percentage of returns that reported profits (i.e., positive net income). While 63.1 percent of FCDCs reported profits, 68.7 percent of other domestic corporations (ODCs) were profitable. 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. Of the industries shown in Table 4, the percentage of profitable returns was highest in the petroleum and coal products manufacturing industry for both FCDCs (79.0 percent) and ODCs (82.1 percent). Additionally, the percentage of profitable returns was lowest in the transportation equipment manufacturing industry for both FCDCs (40.4 percent) and ODCs (53.1 percent).

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 FCDCs (0.6 percent) was considerably smaller than for ODCs (3.2 percent). Within each group of corporations, the ratio of profits to receipts varied across the industries. Certain industries, such as mining (12.6 percent for FCDCs and 10.1 percent for ODCs), reported high percentages. Other industries, such as securities, commodity contracts, and other financial investments and related activities (-26.6 percent for FCDCs and -25.0 percent for ODCs), reported much lower percentages.

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, 3.3 percent for FCDCs versus 5.2 percent for ODCs for all industries. For each group of corporations, the ratio of taxable income to receipts varied among the different industries. For FCDCs, the ratio ranged from a low of 0.3 percent for utilities to a high of 13.5 percent for mining companies. For ODCs, the lowest ratio was 1.6 percent for retail food, beverage, and liquor stores, and the highest ratio was 11.3 percent for mining companies.

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 (\$33.4 billion) and ODCs (\$167.6 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 this table takes into account only the U.S. tax liabilities of the corporations. Additional data, which are beyond the scope of this

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—2008, 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 2008, the oldest and largest FCDCs reported \$-67.0 billion of total retained earnings, while other domestic corporations reported \$2.7 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.

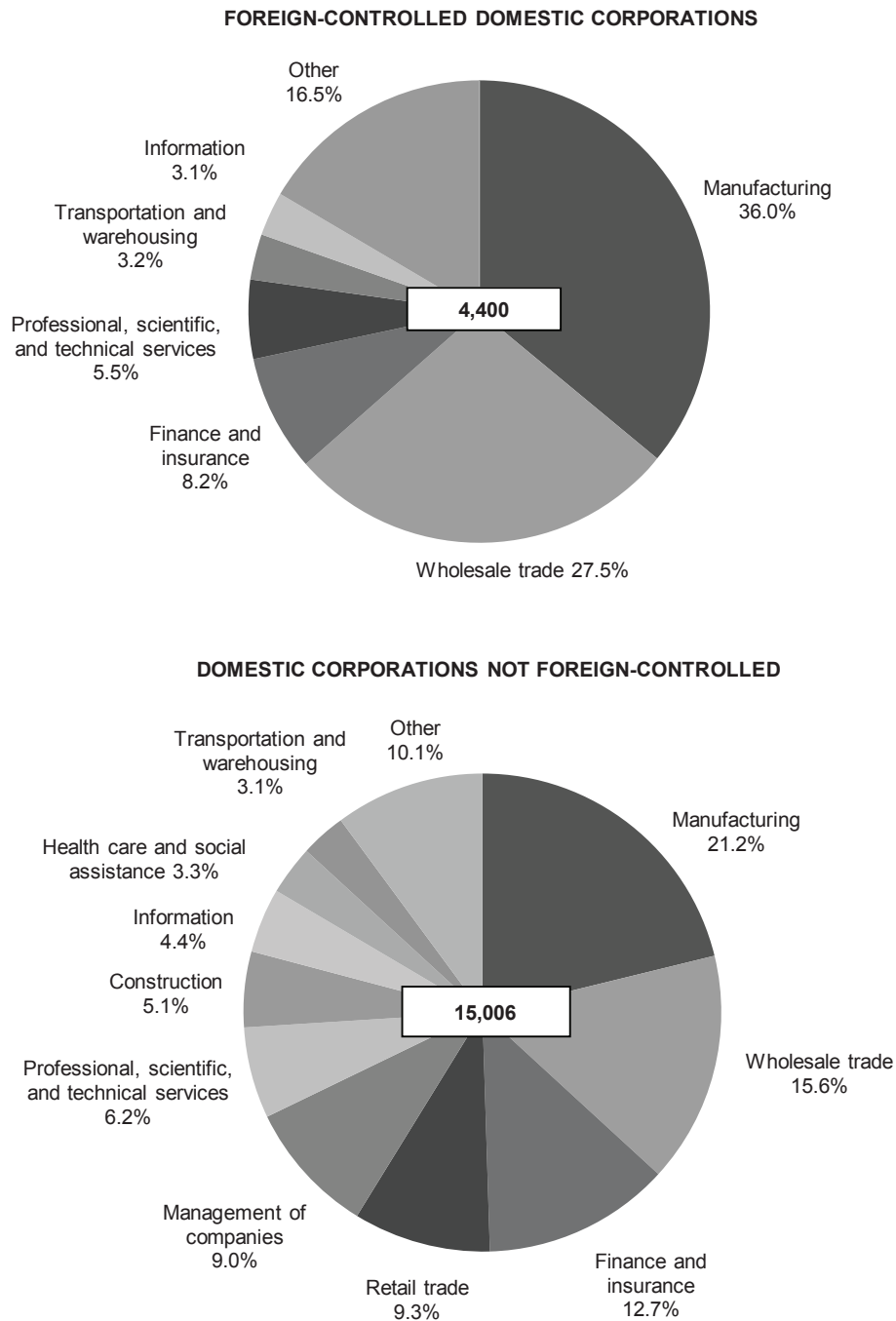
¹⁹ In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total receipts reported by corporations. However, 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.

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Figure H

Distribution of Returns by Industry for "Large" Foreign-Controlled and Other Domestic Corporations, Tax Year 2008



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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article, would be required to examine the worldwide tax liabilities of the corporations.²⁰

Overall, while FCDCs reported average tax liabilities after credits of \$0.87 per \$100 of receipts (or 0.87 percent), other domestic corporations reported tax liabilities after credits of \$1.15 per \$100 of receipts (or 1.15 percent). FCDCs had a wide range, from a low of 0.10 percent for utilities to a high of 3.04 percent for mining companies. The range for ODCs was narrower, between a low of 0.53 percent for retail food, beverage, and liquor stores to a high of 2.17 percent for mining companies.

Table 4 highlights, once again, the differences in financial characteristics of corporations in different industries. For instance, looking at FCDCs, column 49 shows that retail food, beverage, and liquor stores had receipts equal to 212.5 percent of their assets, while companies handling securities, commodity contracts, and other financial investments had receipts of only 5.9 percent of their assets. Because the percentages of companies allocated by principal industrial activities are not the same for the 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 the oldest and largest FCDCs, accounting for 48.2 percent of the total receipts of the group of corporations. The percentage of manufacturing FCDCs that reported positive profits was lower than that for the ODCs, 59.3 percent and 66.5 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, 6.7 percent, than it was for FCDCs, 2.5 percent (see column 57 of Table 4). Net income (less deficit) as a percentage of total receipts for Tax Years 1999-2008 is shown in Figure I. The difference in the percentages for FCDCs and ODCs for Tax Year 2008 is similar to the differences for most of the 9 previous tax years.

Manufacturing ODCs reported taxable incomes of 7.1 percent of their receipts, while the percentage for FCDCs was considerably smaller at 3.6 percent (see column 61 of Table 4). The ratios of total income tax after credits to total receipts for ODCs and FCDCs were 1.1 percent and 0.9 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 57.7 percent of their precredit income tax liabilities. For FCDCs, the percentage was substantially less, at 30.8 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 the oldest and largest FCDCs, accounting for 20.3 percent of the total receipts of the group of corporations. The percentage of ODCs in this industrial sector that reported positive profits was higher than that for the FCDCs, 77.7 percent and 71.5 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 (3.0 percent) than it was for FCDCs (0.9 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 mixed during the 1999-2003 period, but ODCs produced higher percentages over the 2004-2008 period.

Wholesale ODCs reported taxable incomes of 3.2 percent of their receipts, while the percentage was 1.7 for FCDCs. The ratio of total income tax after credits to total receipts was also higher for ODCs (1.0 percent) than that of FCDCs (0.6 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 equaled 11.5 percent and 7.1 percent, respectively, of their precredit income tax liabilities. For both groups of corporations, the foreign tax credit was the largest credit.

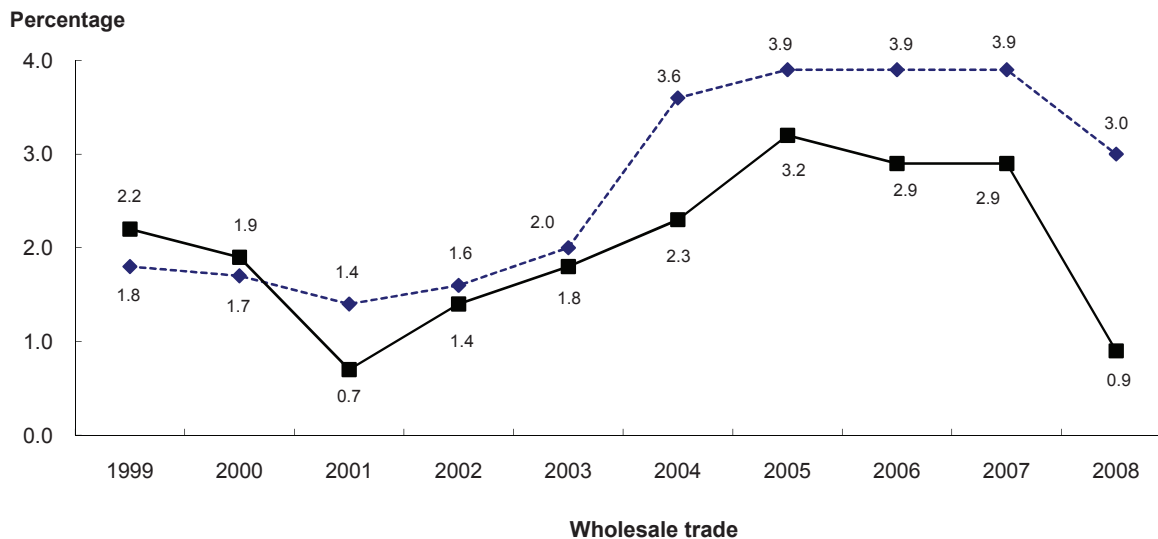
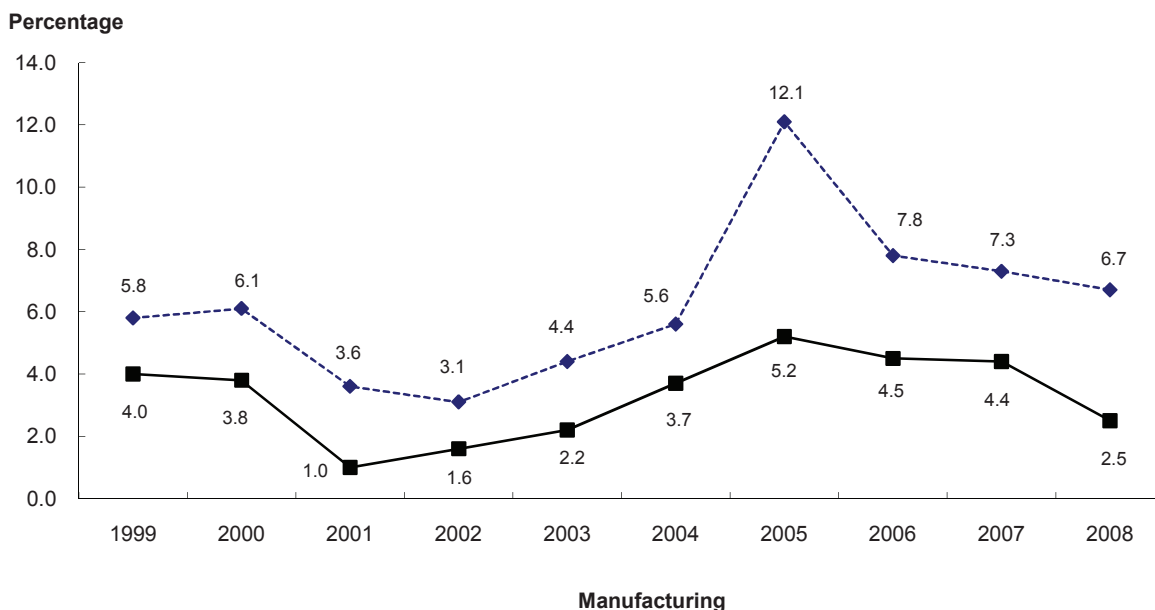
²⁰ One focus of this article is U.S. total income tax after credits. The reader might choose to focus instead on total worldwide taxes, which may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. 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 McGrath, Nuria E., "Corporate Foreign Tax Credit, 2006," in the Summer 2010 issue of the *Statistics of Income Bulletin* (Volume 30, 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 I

"Old, Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts for Selected Industries, by Control Status, Tax Years 1999–2008



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

NOTES: "Old" corporations are those with dates of incorporation prior to 2006, or with unknown dates of incorporation, "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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Summary

FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for Tax Year 2008. This percentage is much smaller than the percentages of receipts (15.3 percent) and assets (14.2 percent) that those FCDCs produced.

The value of FCDC assets declined for 2008, as did the value of assets for all corporations. FCDC assets totaled \$10.9 trillion for 2008, a 2.5-percent decrease from the previous year. By comparison, all corporations reported a total of \$76.8 trillion of assets for 2008, a 5.8-percent decrease over the previous year. FCDCs accounted for 14.2 percent of total corporate assets for 2008, up from 13.7 percent for the previous year.

Foreign business activity in the United States through FCDCs grew for Tax Year 2008. FCDCs reported \$4.4 trillion of total receipts for the year, a 3.6-percent increase over the 2007 level. Total receipts reported on all U.S. corporation income tax returns actually decreased by a small percentage (0.6 percent) from the previous year. As a result, the share of total corporate receipts accounted for by FCDCs increased from 14.7 percent to 15.3 percent.

Two industrial sectors, manufacturing and wholesale trade, generated more than two-thirds of the \$4.4 trillion of total FCDC receipts. Manufacturers produced \$2.0 trillion of receipts, while wholesalers accounted for an additional \$1.0 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$1.1 trillion, 24.1 percent of the FCDC total. In addition, FCDCs owned by persons in Japan (13.4 percent), Germany (9.9 percent), Canada (9.1 percent), France (6.8 percent), the Netherlands (6.7 percent), and Switzerland (6.2 percent) accounted for significant portions of receipts.

FCDC “net” profits dropped by 85.7 percent from those of the previous year. The collective net income (less deficit) reported by foreign-controlled domestic corporations decreased from \$152.3 billion for 2007 to \$21.8 billion for 2008. To place the performance of FCDCs in context, total corporate profits also decreased, by 46.4 percent, totaling \$1.0 trillion for 2008.

FCDC “positive” profits (i.e., net income) decreased by 23.7 percent for 2008. The U.S. tax liability of FCDCs (i.e., total income tax after credits) moved in the same direction as did positive profits, decreasing from \$52.8 billion for 2007 to \$38.2 billion for 2008, or by 27.6 percent. To place this in perspective, the 2008 U.S. tax liabilities of all corporations were 31.0 percent lower than the previous year. Thus, FCDCs share of total corporate post-credit U.S. tax liabilities increased from 16.0 percent for 2007 to 16.7 percent for 2008.

Of the 66,797 foreign-controlled domestic corporations, the 4,400 “largest” companies accounted for most of the total amounts of key financial items (e.g., 94.6 percent of the total assets, 95.2 percent of the total receipts, 94.3 percent of the taxable income, and 93.2 percent of the total income tax after credits).

This article compared the 3,854 oldest and largest foreign-controlled domestic corporations to the 13,679 other old and large domestic companies for selected industries, focusing on 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. While the results varied by industry and criteria, percentages reflecting ODC performance were more frequently higher than those reflecting FCDC performance.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—2008, 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 eliminated many of the means of reducing taxes allowed in the regular tax system and taxed the resulting alternative taxable income at a reduced rate. The AMT

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, age, 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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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 during statistical processing, including those for final returns of corporations going out of existence because they should have had either zero assets (if liquidating) or assets included in another corporation's return (if merging). Additionally, balance sheets of part-year returns (for the most part, by continuing corporations changing their accounting periods) were not included in the statistics because the same corporations' data could have been subject to inclusion from their full-year returns.

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

²² For the most recent statistics covering CFCs, see Mahony, Lee and Randy Miller, "Controlled Foreign Corporations, 2006," *Statistics of Income Bulletin*, Winter 2011, Volume 30, Number 3. In addition, CFC data are included on the IRS Internet site at www.irs.gov, under Tax Stats/International/Controlled Foreign Corporations.

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

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

tions 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

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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 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 in-

come 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 (2008) tax year. Losses incurred after Tax Year 2008 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 2008 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.

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Number of returns—The data contained in this article include the number of returns filed by “active” corporations (i.e., those reporting at least one item of income or deductions) for Tax Year 2008. 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, com-

mon 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.

²³ Shown in Appendix A of this article are Tax Year 2008 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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Total assets—This item represented those assets reported in the end-of-year balance sheets of the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts.

Total income tax before and after credits—For 2008, total income tax of FCDCs was primarily comprised of the income tax imposed on corporate income subject to tax (98.9 percent of the total tax). The alternative minimum tax accounted for 1.1 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 2008, the credits used to reduce the total income tax of FCDCs primarily included the foreign tax credit (84.2 percent of the \$11.2 billion of total credits), the general business credit (11.7 percent), and the prior-year minimum tax credit (4.2 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 obliga-

tions. 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 2008 are based on returns with accounting periods that ended between July 2008 and June 2009. 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 2008, that span was from August 2007 through June 2009. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2008. Of the 66,797 FCDC returns filed for Tax Year 2008, 46,815 had accounting periods that ended in December 2008, 70 percent of the total. These returns accounted for 79 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 2008 statistics consisted, in general, of tax returns with accounting periods that ended between July 2008 and June 2009, and that posted to the IRS Business Master File between July 2008 and June 2010. A 24-month sampling period was needed for several reasons. First, some corporations had noncalendar year accounting periods ending as late as June 2009. Second, while

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corporation returns must be filed within 2 1/2 months after the close of the accounting period, many corporations requested and received filing extensions of 6 months. Third, normal administrative processing time lags required that the sampling process remained open until June 2010.

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 nearly 9,200 unaudited tax returns selected from nearly 66,800 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2008. 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 2008, FCDCs filed only 47 Forms 1120L, 369

Forms 1120-RIC, 114 Forms 1120-REIT, and 51 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 2008, 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—2008, 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” located near the back of this issue of the *Statistics of Income Bulletin*.

Nonsampling Limitations

Nonsampling errors can be categorized as coverage errors, nonresponse errors, processing errors, or response errors. These errors can be the result of the inability to obtain information about all returns in the sample, differing interpretations of tax concepts or instructions by the taxpayer, inability of a corpora-

²⁴ The count of 47 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 2008, there were 162 section 1504(c) returns of foreign-controlled domestic corporations. Of this number, 81 returns had a property/casualty insurance company as the largest subsidiary, another 68 returns had a noninsurance company as the largest subsidiary, and 13 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 2008

| 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 | 3.79 | 0.02 | 0.18 | 0.16 | 0.22 | 0.16 | 0.19 |
| Selected industrial sector: | | | | | | | |
| Construction | 28.39 | 0.86 | 1.89 | 2.84 | 2.14 | 3.03 | 3.11 |
| Finance and insurance | 10.80 | 0.01 | 1.03 | 0.49 | 0.13 | 0.48 | 0.42 |
| Information | 19.33 | 0.16 | 0.83 | 0.87 | 2.45 | 1.20 | 1.28 |
| Management of companies (holding companies) | 20.19 | 0.05 | 0.09 | 0.70 | 0.87 | 0.65 | 0.83 |
| Manufacturing | 10.54 | 0.05 | 0.10 | 0.14 | 0.37 | 0.14 | 0.19 |
| Professional, scientific, and technical services | 12.76 | 0.38 | 1.37 | 1.17 | 3.29 | 1.18 | 1.23 |
| Real estate and rental and leasing | 7.96 | 0.61 | 1.20 | 2.62 | 2.23 | 3.57 | 3.51 |
| Retail trade | 19.29 | 0.52 | 0.72 | 1.32 | 2.58 | 1.44 | 1.43 |
| Wholesale trade | 7.37 | 0.21 | 0.41 | 0.66 | 1.18 | 0.73 | 0.74 |
| Selected country of foreign owner: | | | | | | | |
| Bermuda | 24.21 | 0.14 | 0.57 | 0.64 | 2.52 | 0.69 | 1.08 |
| Canada | 13.18 | 0.08 | 0.70 | 0.68 | 0.91 | 0.67 | 0.68 |
| France | 21.84 | 0.05 | 0.34 | 0.40 | 0.91 | 0.51 | 0.59 |
| Germany | 16.13 | 0.07 | 0.36 | 0.67 | 0.44 | 0.85 | 0.91 |
| Japan | 20.40 | 0.13 | 0.41 | 0.56 | 0.59 | 0.62 | 0.67 |
| Netherlands | 22.74 | 0.05 | 1.80 | 0.87 | 0.85 | 1.12 | 0.93 |
| South Korea, Republic of | 9.94 | 0.94 | 1.59 | 4.08 | 4.83 | 6.54 | 7.45 |
| Sweden | 23.80 | 0.22 | 0.52 | 0.33 | 5.61 | 0.33 | 0.56 |
| Switzerland | 22.05 | 0.04 | 0.38 | 0.30 | 0.16 | 0.31 | 0.32 |
| United Kingdom | 15.41 | 0.03 | 0.15 | 0.21 | 0.85 | 0.19 | 0.28 |
| Venezuela | 2.31 | 1.08 | 0.87 | 1.11 | 10.85 | 1.12 | 1.03 |

tion 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 2007 and 2008, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on the estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. The North American

²⁵ On Form 1120, Page 4, 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 the corporation's stock entitled to vote, or (b) the total value of all classes of the corporation's stock?" and "(7i) If 'Yes,' enter percentage owned." There was an additional question used for the country distribution of these statistics, which was: "(7ii) 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 1,656 returns for Tax Year 2008 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$71.4 billion of assets and \$34.0 billion of receipts.

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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 country in which the foreign entity was incorporated, organized, created, or administered. To the extent that

a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate foreign parent, the country data may be related to the holding company and, thus, not be related to the foreign country of the ultimate parent.

Appendix A

REITs, RICs, and S Corporations Filed by Foreign-Controlled Domestic Corporations (FCDCs) and Other Domestic Corporations (ODCs), Tax Year 2008

[Money amounts are in millions of dollars]

| Type of corporation and item | FCDCs | ODCs |
|--|---------|------------|
| Real Estate Investment Trusts (REITs): | | |
| Number of returns | 114 | 1,546 |
| Total assets | 62,058 | 1,309,429 |
| Total receipts | 4,052 | 108,432 |
| Net income (less deficit) | 895 | 44,652 |
| Income subject to tax | 0 | 47 |
| Total income tax after credits | [1] | 33 |
| Regulated Investment Companies (RICs): | | |
| Number of returns | 369 | 12,771 |
| Total assets | 246,326 | 11,868,196 |
| Total receipts | 10,159 | 426,705 |
| Net income (less deficit) | 8,316 | 301,713 |
| Income subject to tax | 1 | 25 |
| Total income tax after credits | [1] | 27 |
| S Corporations: | | |
| Number of returns | 0 | 4,049,944 |
| Total assets | 0 | 3,367,304 |
| Total receipts | 0 | 6,126,387 |
| Total net income (less deficit) | 0 | 317,091 |
| Net income (less deficit) from a trade or business | 0 | 240,026 |
| Total income tax before credits | 0 | 620 |

[1] Less than \$500,000.

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Table 1. Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971–2008

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

| Item | 1971 | 1990 | 1999 | 2000 | 2005 | 2006 | 2007 | 2008 |
|---|-----------|------------|------------|------------|------------|------------|------------|------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| ALL CORPORATIONS | | | | | | | | |
| Number of returns, total | 1,733,332 | 3,716,650 | 4,935,904 | 5,045,274 | 5,671,257 | 5,840,799 | 5,868,849 | 5,847,221 |
| Number with net income | 1,063,940 | 1,910,670 | 2,812,175 | 2,819,153 | 3,324,260 | 3,367,313 | 3,367,720 | 3,183,821 |
| Total assets | 2,889,221 | 18,190,058 | 41,464,153 | 47,026,872 | 66,445,430 | 73,080,647 | 81,486,346 | 76,799,144 |
| Total receipts | 1,906,008 | 11,409,520 | 18,892,386 | 20,605,808 | 25,504,789 | 27,401,874 | 28,762,924 | 28,589,771 |
| Business receipts | 1,763,760 | 9,860,442 | 16,313,971 | 17,636,551 | 21,800,290 | 23,310,310 | 24,217,396 | 24,718,122 |
| Interest received [1] | 65,596 | 942,238 | 1,301,772 | 1,576,101 | 1,712,271 | 2,242,464 | 2,569,844 | 2,108,790 |
| Total deductions | 1,824,063 | 11,032,575 | 17,966,972 | 19,691,592 | 23,612,766 | 25,501,558 | 26,974,257 | 27,686,727 |
| Cost of goods sold | 1,241,282 | 6,610,770 | 10,284,098 | 11,135,288 | 13,816,464 | 14,799,599 | 15,513,227 | 16,080,387 |
| Interest paid | 64,697 | 825,372 | 1,018,972 | 1,271,679 | 1,287,098 | 1,787,104 | 2,085,113 | 1,658,636 |
| Total receipts less total deductions | 81,945 | 376,945 | 925,414 | 914,216 | 1,892,024 | 1,900,316 | 1,788,667 | 903,044 |
| Net income (less deficit) | 79,700 | 370,633 | 928,956 | 927,526 | 1,948,655 | 1,933,374 | 1,836,783 | 984,342 |
| Net income | 96,688 | 552,527 | 1,229,296 | 1,336,620 | 2,234,882 | 2,239,614 | 2,252,874 | 1,806,890 |
| Deficit | -16,988 | -181,894 | -300,340 | -409,094 | -286,227 | -306,240 | -416,091 | -822,548 |
| Income subject to tax | 83,165 | 366,353 | 693,736 | 760,404 | 1,201,325 | 1,291,431 | 1,248,285 | 978,153 |
| Total income tax before credits | 37,510 | 128,186 | 241,988 | 266,282 | 419,209 | 453,082 | 437,076 | 342,381 |
| Income tax | 37,143 | 119,434 | 238,722 | 262,233 | 416,324 | 450,168 | 433,493 | 339,726 |
| Total income tax after credits | 30,220 | 96,403 | 193,028 | 204,044 | 312,086 | 353,084 | 331,374 | 228,523 |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | | |
| Number of returns, total | 5,154 | 44,113 | 59,514 | 60,609 | 61,820 | 63,951 | 64,026 | 66,797 |
| Number with net income | 2,575 | 17,360 | 27,509 | 26,519 | 30,870 | 30,318 | 30,929 | 28,399 |
| Total assets | 36,674 | 1,652,255 | 4,761,072 | 6,071,994 | 9,218,983 | 9,743,225 | 11,161,430 | 10,887,289 |
| Total receipts | 39,181 | 1,060,295 | 2,167,523 | 2,612,072 | 3,505,629 | 3,839,754 | 4,217,409 | 4,367,410 |
| Business receipts | 38,043 | 950,083 | 1,888,652 | 2,253,215 | 3,058,260 | 3,323,274 | 3,597,435 | 3,855,657 |
| Interest received [1] | 420 | 67,315 | 142,325 | 180,006 | 235,304 | 304,577 | 387,460 | 288,390 |
| Total deductions | 38,050 | 1,056,921 | 2,109,522 | 2,549,986 | 3,345,178 | 3,671,102 | 4,071,891 | 4,351,886 |
| Cost of goods sold | 28,804 | 709,052 | 1,322,100 | 1,584,513 | 2,239,966 | 2,425,660 | 2,638,722 | 2,849,635 |
| Interest paid | 733 | 77,562 | 144,833 | 186,835 | 199,877 | 286,668 | 360,439 | 252,292 |
| Total receipts less total deductions | 1,132 | 3,374 | 58,002 | 62,085 | 160,450 | 168,652 | 145,518 | 15,524 |
| Net income (less deficit) | 1,111 | 3,966 | 60,213 | 66,312 | 165,188 | 172,560 | 152,261 | 21,769 |
| Net income | 1,496 | 29,410 | 99,974 | 118,598 | 201,597 | 214,812 | 226,419 | 172,866 |
| Deficit | -384 | -25,444 | -39,762 | -52,287 | -36,409 | -42,252 | -74,158 | -151,097 |
| Income subject to tax | 1,344 | 23,704 | 78,638 | 97,515 | 153,007 | 171,251 | 183,840 | 140,227 |
| Total income tax before credits | 650 | 8,719 | 28,107 | 34,650 | 53,820 | 60,313 | 65,071 | 49,407 |
| Income tax | 631 | 8,008 | 27,358 | 33,950 | 53,137 | 59,693 | 64,192 | 48,846 |
| Total income tax after credits | 610 | 7,438 | 23,937 | 28,073 | 42,415 | 49,953 | 52,845 | 38,234 |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS | | | | | | | | |
| Number of returns, total | 0.30 | 1.19 | 1.21 | 1.20 | 1.09 | 1.09 | 1.09 | 1.14 |
| Number with net income | 0.24 | 0.91 | 0.98 | 0.94 | 0.93 | 0.90 | 0.92 | 0.89 |
| Total assets | 1.27 | 9.08 | 11.48 | 12.91 | 13.87 | 13.33 | 13.70 | 14.18 |
| Total receipts | 2.06 | 9.29 | 11.47 | 12.68 | 13.74 | 14.01 | 14.66 | 15.28 |
| Business receipts | 2.16 | 9.64 | 11.58 | 12.78 | 14.03 | 14.26 | 14.85 | 15.60 |
| Interest received [1] | 0.64 | 7.14 | 10.93 | 11.42 | 13.74 | 13.58 | 15.08 | 13.68 |
| Total deductions | 2.09 | 9.58 | 11.74 | 12.95 | 14.17 | 14.40 | 15.10 | 15.72 |
| Cost of goods sold | 2.32 | 10.73 | 12.86 | 14.23 | 16.21 | 16.39 | 17.01 | 17.72 |
| Interest paid | 1.13 | 9.40 | 14.21 | 14.69 | 15.53 | 16.04 | 17.29 | 15.21 |
| Total receipts less total deductions | 1.38 | 0.90 | 6.27 | 6.79 | 8.48 | 8.87 | 8.14 | 1.72 |
| Net income (less deficit) | 1.39 | 1.07 | 6.48 | 7.15 | 8.48 | 8.93 | 8.29 | 2.21 |
| Net income | 1.55 | 5.32 | 8.13 | 8.87 | 9.02 | 9.59 | 10.05 | 9.57 |
| Deficit | 2.26 | 13.99 | 13.24 | 12.72 | 12.72 | 13.80 | 17.82 | 18.37 |
| Income subject to tax | 1.62 | 6.47 | 11.34 | 12.82 | 12.74 | 13.26 | 14.73 | 14.34 |
| Total income tax before credits | 1.73 | 6.80 | 11.62 | 13.01 | 12.84 | 13.31 | 14.89 | 14.43 |
| Income tax | 1.70 | 6.70 | 11.46 | 12.95 | 12.76 | 13.26 | 14.81 | 14.38 |
| Total income tax after credits | 2.02 | 7.72 | 12.40 | 13.76 | 13.59 | 14.15 | 15.95 | 16.73 |

[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.

Foreign-Controlled Domestic Corporations, 2008

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2008

[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) | | | | | |
| All industries | 66,797 | 28,399 | 20,910 | 10,887,289 | 2,231,511 | 4,367,410 | 3,855,657 | 4,351,886 |
| Agriculture, forestry, fishing, and hunting | 823 | 268 | 224 | 6,183 | 3,004 | 3,438 | 3,126 | 3,414 |
| Agricultural production | 710 | 234 | 190 | 5,315 | 2,770 | 2,718 | 2,492 | 2,664 |
| Forestry and logging | *10 | *3 | *3 | *568 | *370 | *465 | *453 | *465 |
| Support activities and fishing, hunting, and trapping | *103 | *31 | *31 | *299 | *136 | *255 | *181 | *286 |
| Mining | 708 | 288 | 234 | 191,849 | 82,372 | 86,126 | 78,376 | 78,530 |
| Utilities | 250 | 140 | 137 | 146,193 | 43,510 | 62,653 | 57,777 | 65,006 |
| Construction | 1,594 | 880 | 522 | 48,490 | 10,532 | 55,284 | 53,526 | 55,926 |
| Construction of buildings | 429 | 315 | 310 | 23,212 | 3,538 | 31,744 | 31,054 | 32,951 |
| Heavy and civil engineering construction | 816 | 314 | 58 | 17,751 | 5,085 | 14,688 | 13,743 | 14,314 |
| Specialty trade contractors | 348 | 250 | 154 | 7,527 | 1,908 | 8,852 | 8,729 | 8,661 |
| Manufacturing | 7,850 | 3,385 | 2,433 | 2,578,206 | 740,231 | 2,018,705 | 1,930,369 | 1,980,291 |
| Food manufacturing | 764 | 393 | 122 | 74,933 | 17,444 | 82,030 | 79,692 | 79,670 |
| Beverage and tobacco product manufacturing | 324 | 59 | 24 | 104,331 | 29,735 | 44,371 | 42,236 | 42,680 |
| Textile mills and textile product mills | 137 | 75 | 54 | 5,295 | 1,957 | 6,685 | 6,583 | 6,639 |
| Apparel manufacturing | 56 | 50 | 50 | 1,293 | 864 | 1,895 | 1,829 | 1,883 |
| Leather and allied product manufacturing | d | d | d | d | d | d | d | d |
| Wood product manufacturing | 139 | 88 | 86 | 6,389 | 967 | 7,622 | 7,530 | 8,357 |
| Paper manufacturing | 100 | 64 | 60 | 14,830 | 5,202 | 16,657 | 16,456 | 16,906 |
| Printing and related support activities | 47 | 15 | 10 | 5,351 | -1,330 | 6,144 | 5,986 | 6,274 |
| Petroleum and coal products manufacturing | 36 | 29 | 26 | 658,304 | 128,228 | 750,667 | 737,260 | 729,326 |
| Chemical manufacturing | 462 | 260 | 223 | 491,827 | 163,116 | 291,347 | 260,689 | 272,578 |
| Plastics and rubber products manufacturing | 426 | 150 | 137 | 51,685 | 18,000 | 53,228 | 52,037 | 53,975 |
| Nonmetallic mineral product manufacturing | 140 | 70 | 69 | 107,862 | 23,304 | 55,877 | 53,911 | 57,417 |
| Primary metal manufacturing | 169 | 78 | 80 | 83,565 | 23,881 | 87,703 | 85,754 | 84,393 |
| Fabricated metal product manufacturing | 861 | 245 | 217 | 41,126 | 12,548 | 40,480 | 39,256 | 39,498 |
| Machinery manufacturing | 807 | 344 | 311 | 125,293 | 42,200 | 98,471 | 93,909 | 96,283 |
| Computer and electronic product manufacturing | 1,501 | 877 | 541 | 216,953 | 94,738 | 137,296 | 130,314 | 141,144 |
| Electrical equipment, appliance, and component manufacturing | 222 | 133 | 80 | 86,922 | 33,024 | 37,624 | 36,656 | 36,302 |
| Transportation equipment manufacturing | 838 | 169 | 155 | 397,265 | 129,437 | 225,081 | 211,771 | 233,414 |
| Furniture and related product manufacturing | 172 | 7 | 7 | 2,024 | -243 | 2,971 | 2,946 | 3,080 |
| Miscellaneous manufacturing | d | d | d | d | d | d | d | d |
| Wholesale and retail trade | 19,810 | 9,861 | 7,110 | 695,042 | 202,025 | 1,122,809 | 1,096,573 | 1,116,817 |
| Wholesale trade | 16,211 | 8,010 | 6,180 | 609,569 | 173,989 | 984,088 | 960,979 | 977,598 |
| Wholesale trade, durable goods | 11,876 | 5,824 | 4,561 | 389,853 | 103,858 | 599,738 | 585,233 | 602,479 |
| Wholesale trade, nondurable goods | 4,177 | 2,095 | 1,528 | 219,551 | 70,030 | 384,252 | 375,672 | 375,033 |
| Wholesale electronic markets and agents and brokers | *157 | *90 | *90 | *165 | *101 | *98 | *74 | *87 |
| Retail trade | 3,600 | 1,851 | 930 | 85,472 | 28,037 | 138,720 | 135,594 | 139,220 |
| Motor vehicle dealers and parts dealers | 407 | 307 | 281 | 2,467 | 685 | 5,728 | 5,404 | 5,766 |
| Furniture and home furnishings stores | 492 | 272 | 8 | 5,560 | 729 | 6,100 | 6,069 | 6,093 |
| Electronics and appliance stores | 299 | 98 | 95 | 1,319 | -12 | 2,619 | 2,581 | 2,523 |
| Building material and garden equipment and supplies dealers | 284 | 26 | 25 | 468 | 184 | 938 | 931 | 947 |
| Food, beverage and liquor stores | 104 | 15 | 12 | 33,620 | 10,896 | 69,129 | 68,146 | 68,578 |
| Health and personal care stores | 144 | 125 | 24 | 6,901 | 1,018 | 6,384 | 6,220 | 6,315 |
| Gasoline stations | *325 | *322 | *88 | *3,010 | *657 | *14,117 | *13,972 | *14,056 |
| Clothing and clothing accessories stores | 392 | 63 | 58 | 19,676 | 9,012 | 18,558 | 17,747 | 18,706 |
| Sporting goods, hobby, book, and music stores | 346 | 60 | 60 | 1,366 | 451 | 1,177 | 1,152 | 1,179 |
| General merchandise stores | *16 | *5 | *5 | *271 | *63 | *734 | *721 | *745 |
| Miscellaneous store retailers | 110 | 32 | 32 | 5,405 | 2,680 | 4,631 | 4,363 | 5,459 |
| Nonstore retailers | 680 | 526 | 241 | 5,410 | 1,675 | 8,605 | 8,287 | 8,851 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2008—Continued

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

| Major industry | Number of returns | | | Total assets | Net worth | Total receipts | Business receipts | Total deductions |
|---|-------------------|-----------------|-------------------------------------|--------------|-----------|----------------|-------------------|------------------|
| | Total | With net income | With total income tax after credits | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Transportation and warehousing | 1,730 | 824 | 648 | 75,649 | 20,077 | 69,076 | 65,743 | 70,515 |
| Air, rail, and water transportation | 123 | 85 | 27 | 20,679 | 5,389 | 13,179 | 12,986 | 13,084 |
| Truck transportation | 799 | 109 | 109 | 1,068 | 133 | 3,658 | 3,627 | 3,688 |
| Transit and ground passenger transportation | *5 | d | d | *7,499 | *1,717 | *5,797 | *5,468 | *6,013 |
| Pipeline transportation | 6 | d | d | 2,642 | 1,287 | 5,223 | 5,042 | 5,078 |
| Other transportation and support activities | 470 | 302 | 201 | 34,597 | 6,641 | 38,251 | 35,857 | 39,809 |
| Warehousing and storage | 327 | 322 | 305 | 9,164 | 4,911 | 2,970 | 2,763 | 2,844 |
| Information | 2,346 | 1,117 | 860 | 292,536 | 103,723 | 111,938 | 97,050 | 108,489 |
| Publishing industries | 687 | 311 | 161 | 111,459 | 18,638 | 50,430 | 44,276 | 49,964 |
| Motion picture and sound recording industries | 490 | 388 | 385 | 21,639 | 12,894 | 9,668 | 7,080 | 9,764 |
| Broadcasting (except Internet) | 50 | 21 | 21 | 3,634 | 1,145 | 1,132 | 932 | 1,189 |
| Telecommunications (including paging, cellular, satellite, cable and internet service providers) | 363 | 204 | 139 | 142,496 | 69,210 | 45,189 | 39,743 | 42,119 |
| Data processing, hosting, and related services | 86 | 43 | 10 | 7,582 | -247 | 2,904 | 2,496 | 2,868 |
| Other information services (including news syndicates, libraries, and internet publishing and broadcasting) | 671 | 151 | 145 | 5,727 | 2,083 | 2,615 | 2,523 | 2,587 |
| Finance and insurance | 3,361 | 1,662 | 1,197 | 5,065,415 | 687,591 | 509,053 | 253,437 | 546,635 |
| Credit intermediation | 526 | 152 | 145 | 347,243 | 22,490 | 22,884 | 11,885 | 24,259 |
| Depository credit intermediation | 38 | 26 | 27 | 119,809 | 4,143 | 7,007 | 962 | 5,978 |
| Nondepository credit intermediation | 488 | 126 | 118 | 227,435 | 18,347 | 15,877 | 10,923 | 18,280 |
| Securities, commodity contracts, and other financial investments and related activities | 1,364 | 557 | 503 | 2,564,321 | 115,421 | 155,708 | 36,809 | 194,886 |
| Insurance carriers and related activities | 332 | 203 | 202 | 1,838,819 | 300,483 | 316,775 | 204,636 | 322,858 |
| Funds, trusts, and other financial vehicles | 1,139 | 751 | 347 | 315,031 | 249,197 | 13,686 | 106 | 4,633 |
| Real estate and rental and leasing | 12,881 | 4,125 | 2,682 | 179,054 | 57,954 | 26,316 | 15,559 | 26,774 |
| Real estate | 12,328 | 3,665 | 2,579 | 137,017 | 48,701 | 15,704 | 7,610 | 15,285 |
| Rental and leasing services | 547 | d | d | 33,882 | 4,402 | 9,748 | 7,283 | 10,565 |
| Lessors of nonfinancial intangible assets (except copyrighted works) | *6 | d | d | *8,155 | *4,851 | *864 | *666 | *923 |
| Professional, scientific, and technical services | 8,918 | 2,820 | 2,340 | 195,577 | 78,953 | 104,512 | 96,573 | 100,995 |
| Management of companies (holding companies) | 2,500 | 1,174 | 882 | 1,244,448 | 155,837 | 90,963 | 9,984 | 92,692 |
| Administrative and support and waste management and remediation services | 1,223 | 525 | 424 | 61,341 | 17,867 | 48,190 | 45,926 | 48,174 |
| Administrative and support services | 1,212 | 519 | 418 | 51,176 | 13,887 | 42,797 | 40,701 | 42,611 |
| Waste management and remediation services | 11 | 6 | 6 | 10,165 | 3,980 | 5,393 | 5,225 | 5,563 |
| Educational services | 13 | 9 | 9 | 4,221 | 1,189 | 1,762 | 1,610 | 1,654 |
| Health care and social assistance | 89 | 18 | 15 | 36,929 | 11,399 | 13,167 | 12,463 | 12,788 |
| Offices of health practitioners and outpatient care centers | *60 | *4 | d | *27,876 | *9,568 | *6,751 | *6,462 | *6,334 |
| Miscellaneous health care and social assistance | 22 | 10 | 10 | 6,102 | 915 | 3,594 | 3,517 | 3,661 |
| Hospitals, nursing, and residential care facilities | 7 | 4 | d | 2,951 | 916 | 2,822 | 2,483 | 2,792 |
| Arts, entertainment, and recreation | 682 | 243 | 222 | 12,307 | 636 | 5,650 | 4,923 | 5,994 |
| Amusement, gambling, and recreation industries | 121 | 25 | 7 | 9,328 | 978 | 2,797 | 2,456 | 3,101 |
| Other arts, entertainment, and recreation | 561 | 219 | 215 | 2,979 | -342 | 2,852 | 2,467 | 2,894 |
| Accommodation and food services | 1,424 | 857 | 795 | 46,832 | 13,259 | 29,959 | 25,257 | 29,787 |
| Accommodation | 269 | 119 | 88 | 31,039 | 13,019 | 7,315 | 4,675 | 7,226 |
| Food services and drinking places | 1,156 | 738 | 707 | 15,793 | 240 | 22,644 | 20,582 | 22,561 |
| Other services | 592 | 205 | 178 | 7,018 | 1,353 | 7,809 | 7,385 | 7,404 |
| Repair and maintenance | 341 | 45 | 47 | 3,920 | 1,157 | 5,402 | 5,187 | 5,279 |
| Personal and laundry services | 251 | 160 | 131 | 3,098 | 196 | 2,407 | 2,198 | 2,126 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2008—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 | 2,849,635 | 15,524 | 21,769 | 172,866 | -151,097 | 140,227 | 49,407 | 38,234 |
| Agriculture, forestry, fishing, and hunting | 2,123 | 24 | 24 | 270 | -246 | 182 | 63 | 60 |
| Agricultural production | 1,568 | 54 | 54 | 252 | -198 | 167 | 58 | 56 |
| Forestry and logging | *402 | *1 | *1 | *7 | *-7 | *5 | *2 | *2 |
| Support activities and fishing, hunting, and trapping | *153 | *-31 | *-31 | *10 | *-41 | *10 | *3 | *3 |
| Mining | 42,383 | 7,595 | 8,236 | 12,462 | -4,226 | 10,986 | 3,949 | 2,493 |
| Utilities | 36,248 | -2,352 | -2,357 | 760 | -3,117 | 425 | 153 | 142 |
| Construction | 46,462 | -642 | -637 | 1,444 | -2,081 | 1,121 | 395 | 347 |
| Construction of buildings | 29,453 | -1,207 | -1,200 | 478 | -1,679 | 417 | 146 | 139 |
| Heavy and civil engineering construction | 10,792 | 374 | 371 | 669 | -298 | 507 | 180 | 144 |
| Specialty trade contractors | 6,217 | 191 | 193 | 298 | -105 | 197 | 69 | 65 |
| Manufacturing | 1,519,836 | 38,414 | 42,870 | 78,063 | -35,193 | 70,896 | 24,960 | 17,563 |
| Food manufacturing | 55,567 | 2,360 | 2,430 | 2,977 | -547 | 2,503 | 881 | 808 |
| Beverage and tobacco product manufacturing | 18,718 | 1,692 | 1,860 | 2,026 | -166 | 1,590 | 556 | 446 |
| Textile mills and textile product mills | 5,120 | 46 | 48 | 214 | -167 | 188 | 65 | 64 |
| Apparel manufacturing | 1,251 | 12 | 12 | 54 | -42 | 43 | 15 | 14 |
| Leather and allied product manufacturing | d | d | d | d | d | d | d | d |
| Wood product manufacturing | 6,476 | -735 | -735 | 49 | -784 | 46 | 15 | 15 |
| Paper manufacturing | 13,366 | -250 | -250 | 185 | -435 | 168 | 58 | 55 |
| Printing and related support activities | 4,535 | -130 | -130 | 38 | -168 | 28 | 10 | 9 |
| Petroleum and coal products manufacturing | 672,059 | 21,342 | 23,190 | 24,080 | -890 | 23,935 | 8,378 | 3,907 |
| Chemical manufacturing | 159,961 | 18,770 | 19,893 | 25,331 | -5,438 | 23,278 | 8,181 | 6,734 |
| Plastics and rubber products manufacturing | 39,155 | -747 | -687 | 635 | -1,322 | 421 | 156 | 118 |
| Nonmetallic mineral product manufacturing | 38,257 | -1,540 | -1,511 | 1,181 | -2,693 | 1,054 | 371 | 334 |
| Primary metal manufacturing | 71,364 | 3,309 | 3,598 | 4,464 | -866 | 4,376 | 1,616 | 1,095 |
| Fabricated metal product manufacturing | 29,005 | 983 | 997 | 1,650 | -654 | 1,496 | 521 | 505 |
| Machinery manufacturing | 70,444 | 2,188 | 2,358 | 3,892 | -1,534 | 3,627 | 1,274 | 1,130 |
| Computer and electronic product manufacturing | 94,902 | -3,848 | -3,525 | 3,427 | -6,952 | 2,164 | 764 | 627 |
| Electrical equipment, appliance, and component manufacturing | 26,158 | 1,322 | 1,425 | 2,115 | -690 | 1,521 | 535 | 431 |
| Transportation equipment manufacturing | 164,516 | -8,333 | -8,272 | 2,135 | -10,408 | 1,469 | 519 | 448 |
| Furniture and related product manufacturing | 2,146 | -109 | -109 | 21 | -130 | 21 | 7 | 6 |
| Miscellaneous manufacturing | d | d | d | d | d | d | d | d |
| Wholesale and retail trade | 902,326 | 5,991 | 6,342 | 23,005 | -16,663 | 18,507 | 6,469 | 6,009 |
| Wholesale trade | 808,524 | 6,491 | 6,836 | 20,279 | -13,443 | 16,244 | 5,669 | 5,253 |
| Wholesale trade, durable goods | 490,801 | -2,740 | -2,444 | 8,532 | -10,976 | 7,041 | 2,451 | 2,324 |
| Wholesale trade, nondurable goods | 317,723 | 9,219 | 9,269 | 11,734 | -2,466 | 9,193 | 3,215 | 2,926 |
| Wholesale electronic markets and agents and brokers | *0 | *12 | *12 | *12 | *-1 | *11 | *3 | *3 |
| Retail trade | 93,802 | -499 | -493 | 2,726 | -3,220 | 2,263 | 800 | 756 |
| Motor vehicle dealers and parts dealers | 4,787 | -39 | -38 | 26 | -64 | 20 | 7 | 7 |
| Furniture and home furnishings stores | 3,367 | 6 | 6 | 97 | -90 | 90 | 31 | 31 |
| Electronics and appliance stores | 1,627 | 96 | 96 | 180 | -84 | 157 | 54 | 45 |
| Building material and garden equipment and supplies dealers | 734 | -9 | -9 | 12 | -21 | 12 | 4 | 4 |
| Food, beverage and liquor stores | 47,996 | 551 | 552 | 1,505 | -953 | 1,454 | 514 | 502 |
| Health and personal care stores | 2,790 | 69 | 72 | 155 | -84 | 148 | 51 | 41 |
| Gasoline stations | *12,113 | *61 | *61 | *64 | *-3 | *61 | *21 | *15 |
| Clothing and clothing accessories stores | 9,373 | -148 | -145 | 539 | -683 | 188 | 73 | 69 |
| Sporting goods, hobby, book, and music stores | 818 | -2 | -2 | 29 | -31 | 29 | 10 | 10 |
| General merchandise stores | *514 | *-12 | *-12 | *15 | *-26 | *15 | *5 | *4 |
| Miscellaneous store retailers | 2,729 | -828 | -828 | 42 | -870 | 41 | 14 | 14 |
| Nonstore retailers | 6,954 | -245 | -247 | 63 | -310 | 48 | 16 | 16 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2008—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 | 29,394 | -1,439 | -1,430 | 1,270 | -2,701 | 1,053 | 368 | 354 |
| Air, rail, and water transportation | 5,089 | 95 | 95 | 288 | -193 | 271 | 96 | 91 |
| Truck transportation | 2,298 | -30 | -30 | 42 | -72 | 39 | 12 | 12 |
| Transit and ground passenger transportation | *1,143 | *-216 | *-216 | d | d | d | d | d |
| Pipeline transportation | 4,844 | 144 | 144 | d | d | d | d | d |
| Other transportation and support activities | 15,528 | -1,558 | -1,549 | 599 | -2,148 | 545 | 189 | 182 |
| Warehousing and storage | 493 | 126 | 126 | 189 | -63 | 156 | 54 | 52 |
| Information | 36,326 | 3,449 | 3,760 | 7,404 | -3,645 | 3,957 | 1,427 | 1,238 |
| Publishing industries | 17,644 | 467 | 526 | 2,636 | -2,110 | 1,865 | 659 | 537 |
| Motion picture and sound recording industries | 2,620 | -96 | 46 | 350 | -304 | 137 | 47 | 46 |
| Broadcasting (except Internet) | 531 | -57 | -57 | 55 | -111 | 45 | 15 | 15 |
| Telecommunications (including paging, cellular, satellite, cable and internet service providers) | 14,507 | 3,070 | 3,126 | 3,815 | -689 | 1,401 | 528 | 492 |
| Data processing, hosting, and related services | 590 | 37 | 37 | 262 | -225 | 250 | 87 | 87 |
| Other information services (including news syndicates, libraries, and internet publishing and broadcasting) | 433 | 28 | 82 | 287 | -206 | 258 | 90 | 62 |
| Finance and insurance | 154,006 | -37,582 | -37,846 | 26,440 | -64,286 | 15,210 | 5,342 | 4,815 |
| Credit intermediation | 315 | -1,375 | -1,419 | 1,754 | -3,173 | 1,595 | 559 | 527 |
| Depository credit intermediation | 0 | 1,029 | 1,028 | 1,100 | -73 | 1,071 | 375 | 373 |
| Nondepository credit intermediation | 315 | -2,404 | -2,446 | 654 | -3,100 | 525 | 185 | 154 |
| Securities, commodity contracts, and other financial investments and related activities | 1,555 | -39,178 | -39,058 | 4,848 | -43,906 | 4,510 | 1,581 | 1,502 |
| Insurance carriers and related activities | 152,137 | -6,082 | -6,421 | 10,076 | -16,496 | 8,731 | 3,071 | 2,659 |
| Funds, trusts, and other financial vehicles | 0 | 9,053 | 9,051 | 9,762 | -710 | 373 | 130 | 127 |
| Real estate and rental and leasing | 2,975 | -457 | -471 | 3,025 | -3,496 | 1,634 | 569 | 556 |
| Real estate | 717 | 419 | 420 | 2,704 | -2,284 | 1,391 | 484 | 475 |
| Rental and leasing services | 2,222 | -817 | -832 | d | d | d | d | d |
| Lessors of nonfinancial intangible assets (except copyrighted works) | *36 | *-59 | *-59 | d | d | d | d | d |
| Professional, scientific, and technical services | 34,140 | 3,517 | 3,734 | 7,209 | -3,476 | 5,647 | 1,981 | 1,765 |
| Management of companies (holding companies) | 1,778 | -1,730 | -1,294 | 8,138 | -9,432 | 7,818 | 2,752 | 2,039 |
| Administrative and support and waste management and remediation services | 20,785 | 16 | 45 | 1,031 | -986 | 711 | 252 | 201 |
| Administrative and support services | 20,157 | 186 | 215 | 913 | -698 | 696 | 244 | 194 |
| Waste management and remediation services | 629 | -170 | -170 | 118 | -288 | 15 | 7 | 7 |
| Educational services | 602 | 108 | 111 | 112 | -1 | 96 | 34 | 29 |
| Health care and social assistance | 3,816 | 379 | 379 | 647 | -267 | 572 | 201 | 195 |
| Offices of health practitioners and outpatient care centers | *3,101 | *417 | *417 | *480 | *-63 | *451 | d | d |
| Miscellaneous health care and social assistance | 661 | -67 | -67 | 73 | -140 | 36 | 13 | 12 |
| Hospitals, nursing, and residential care facilities | 55 | 29 | 29 | 93 | -64 | 85 | d | d |
| Arts, entertainment, and recreation | 1,738 | -345 | -321 | 151 | -473 | 127 | 43 | 43 |
| Amusement, gambling, and recreation industries | 1,003 | -303 | -299 | 13 | -311 | 8 | 3 | 3 |
| Other arts, entertainment, and recreation | 735 | -41 | -23 | 139 | -161 | 119 | 41 | 40 |
| Accommodation and food services | 11,276 | 172 | 201 | 895 | -695 | 775 | 271 | 233 |
| Accommodation | 472 | 90 | 116 | 383 | -267 | 271 | 97 | 85 |
| Food services and drinking places | 10,804 | 83 | 84 | 512 | -428 | 504 | 174 | 148 |
| Other services | 3,419 | 405 | 423 | 538 | -115 | 510 | 177 | 154 |
| Repair and maintenance | 2,771 | 124 | 124 | 196 | -72 | 195 | 67 | 64 |
| Personal and laundry services | 648 | 282 | 300 | 343 | -43 | 315 | 110 | 90 |

* 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, 2008

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Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2008

[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 | 66,797 | 28,399 | 20,910 | 10,887,289 | 2,231,511 | 4,367,410 | 3,855,657 | 4,351,886 |
| AGE OF CORPORATION | | | | | | | | |
| Old corporations: | | | | | | | | |
| Number or amount | 50,572 | 23,402 | 16,866 | 10,087,490 | 1,981,231 | 3,998,122 | 3,511,760 | 3,975,156 |
| Percentage of all corporations | 75.71 | 82.40 | 80.66 | 92.65 | 88.78 | 91.54 | 91.08 | 91.34 |
| New corporations: | | | | | | | | |
| Number or amount | 16,224 | 4,996 | 4,044 | 799,799 | 250,279 | 369,288 | 343,897 | 376,731 |
| Percentage of all corporations | 24.29 | 17.59 | 19.34 | 7.35 | 11.22 | 8.46 | 8.92 | 8.66 |
| SELECTED COUNTRY OF FOREIGN OWNER | | | | | | | | |
| Selected countries, total | 58,810 | 26,094 | 19,162 | 10,829,366 | 2,213,469 | 4,332,137 | 3,823,625 | 4,316,095 |
| Percentage of all countries | 88.04 | 91.88 | 91.64 | 99.47 | 99.19 | 99.19 | 99.17 | 99.18 |
| Selected countries: | | | | | | | | |
| Australia | 1,201 | 473 | 361 | 158,665 | 38,016 | 52,292 | 44,532 | 52,746 |
| Austria | 751 | 290 | 222 | 11,461 | 3,530 | 14,111 | 13,815 | 14,104 |
| Belgium | 322 | 193 | 123 | 153,641 | 40,362 | 67,976 | 63,929 | 67,708 |
| Bermuda | 744 | 152 | 134 | 229,303 | 58,918 | 86,152 | 76,581 | 83,627 |
| Brazil | 1,130 | 665 | 300 | 18,705 | 4,990 | 19,167 | 18,660 | 19,662 |
| British Virgin Islands [1] | 2,933 | 707 | 616 | 27,941 | 6,023 | 25,488 | 23,474 | 25,468 |
| Canada | 10,132 | 5,511 | 3,950 | 1,220,119 | 334,647 | 396,848 | 344,821 | 389,289 |
| Cayman Islands | 1,459 | 510 | 427 | 75,736 | 32,081 | 29,399 | 25,737 | 31,674 |
| China | 1,543 | 642 | 355 | 8,325 | 2,850 | 10,385 | 10,031 | 10,198 |
| China (Taiwan) | 1,705 | 411 | 164 | 15,196 | 3,822 | 27,441 | 26,908 | 27,289 |
| Colombia | 857 | 26 | 26 | 2,197 | 1,046 | 1,525 | 1,509 | 1,703 |
| Cyprus | 46 | 26 | 9 | 3,256 | 508 | 8,252 | 8,188 | 8,280 |
| Denmark | 337 | 135 | 135 | 18,283 | 6,550 | 22,437 | 22,016 | 22,071 |
| Finland | 55 | 20 | 22 | 22,186 | 10,650 | 19,133 | 18,038 | 18,942 |
| Former Soviet Union [2] | 305 | 258 | 258 | 15,696 | 8,668 | 13,559 | 12,989 | 13,521 |
| France | 2,024 | 793 | 630 | 1,138,540 | 260,186 | 295,410 | 241,762 | 288,719 |
| Germany | 4,346 | 2,084 | 1,618 | 1,225,241 | 247,916 | 431,607 | 380,614 | 439,705 |
| Gibraltar | 83 | 3 | 3 | 30,653 | -4,011 | 11,750 | 10,213 | 12,642 |
| Hong Kong | 1,134 | 398 | 286 | 14,008 | 3,160 | 16,254 | 15,786 | 16,569 |
| Hungary | 59 | 24 | 24 | 21,255 | 4,057 | 16,416 | 15,926 | 15,945 |
| India | 930 | 463 | 341 | 16,251 | 2,597 | 19,543 | 19,492 | 19,565 |
| Ireland | 430 | 178 | 116 | 95,678 | 40,251 | 35,967 | 33,465 | 35,817 |
| Israel | 864 | 483 | 439 | 57,892 | 13,638 | 31,284 | 29,534 | 31,972 |
| Italy | 1,609 | 504 | 422 | 62,395 | 20,250 | 32,199 | 30,455 | 31,711 |
| Japan | 6,108 | 2,955 | 2,160 | 767,073 | 211,387 | 584,521 | 557,226 | 587,623 |
| Liechtenstein | 340 | 56 | 33 | 3,560 | 1,333 | 5,125 | 4,993 | 4,961 |
| Luxembourg | 469 | 183 | 159 | 119,894 | 42,007 | 63,970 | 59,551 | 64,440 |
| Mexico | 1,393 | 689 | 529 | 41,058 | 6,734 | 35,926 | 33,572 | 33,790 |
| Netherlands | 1,873 | 858 | 469 | 1,075,971 | 136,685 | 292,575 | 216,144 | 292,827 |
| Netherlands Antilles | 285 | 134 | 130 | 15,838 | 7,549 | 12,887 | 11,864 | 11,772 |
| Norway | 227 | 67 | 64 | 21,940 | 8,240 | 20,199 | 19,622 | 20,308 |
| Panama | 915 | 434 | 150 | 13,994 | 4,885 | 9,133 | 8,507 | 8,418 |
| Puerto Rico | 26 | 6 | 6 | 23,964 | 9,448 | 1,206 | 237 | 2,640 |
| Saudi Arabia | 52 | 34 | 6 | 15,246 | 5,684 | 21,361 | 20,328 | 21,505 |
| Singapore | 267 | 80 | 79 | 29,117 | 17,996 | 17,694 | 16,914 | 18,112 |
| South Africa, Republic of | 106 | 34 | 34 | 3,830 | 1,158 | 5,741 | 5,727 | 5,726 |
| South Korea, Republic of | 1,811 | 1,050 | 928 | 46,912 | 10,410 | 78,359 | 76,768 | 78,659 |
| Spain | 817 | 193 | 172 | 123,062 | 33,795 | 30,112 | 23,932 | 29,849 |
| Sweden | 517 | 276 | 215 | 122,465 | 33,489 | 94,366 | 83,331 | 88,932 |
| Switzerland | 1,420 | 618 | 486 | 1,271,917 | 121,404 | 270,527 | 217,030 | 293,238 |
| United Arab Emirates | 144 | 63 | 63 | 9,013 | 2,563 | 5,054 | 4,503 | 5,097 |
| United Kingdom | 5,524 | 3,001 | 2,097 | 2,461,016 | 414,574 | 1,051,104 | 928,868 | 1,022,766 |
| Venezuela | 1,517 | 414 | 401 | 20,873 | 3,423 | 47,682 | 46,033 | 46,505 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2008—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 | 2,849,635 | 15,524 | 21,769 | 172,866 | -151,097 | 140,227 | 49,407 | 38,234 |
| AGE OF CORPORATION | | | | | | | | |
| Old corporations: | | | | | | | | |
| Number or amount | 2,593,016 | 22,966 | 28,816 | 161,559 | -132,742 | 132,052 | 46,538 | 35,702 |
| Percentage of all corporations | 90.99 | 147.94 | 132.37 | 93.46 | 87.85 | 94.17 | 94.19 | 93.38 |
| New corporations: | | | | | | | | |
| Number or amount | 256,619 | -7,442 | -7,047 | 11,308 | -18,355 | 8,176 | 2,869 | 2,532 |
| Percentage of all corporations | 9.01 | -47.94 | -32.37 | 6.54 | 12.15 | 5.83 | 5.81 | 6.62 |
| SELECTED COUNTRY OF FOREIGN OWNER | | | | | | | | |
| Selected countries, total | 2,825,101 | 16,042 | 22,254 | 170,652 | -148,397 | 138,313 | 48,742 | 37,603 |
| Percentage of all countries | 99.14 | 103.34 | 102.23 | 98.72 | 98.21 | 98.64 | 98.65 | 98.35 |
| Selected countries: | | | | | | | | |
| Australia | 28,911 | -454 | -226 | 2,256 | -2,482 | 1,788 | 626 | 226 |
| Austria | 10,319 | 7 | 15 | 347 | -332 | 254 | 89 | 85 |
| Belgium | 38,234 | 268 | 432 | 1,881 | -1,448 | 1,700 | 600 | 456 |
| Bermuda | 48,811 | 2,525 | 2,775 | 4,763 | -1,988 | 3,713 | 1,311 | 808 |
| Brazil | 17,016 | -495 | -495 | 391 | -885 | 187 | 68 | 66 |
| British Virgin Islands [1] | 17,966 | 20 | 27 | 1,087 | -1,060 | 781 | 277 | 269 |
| Canada | 258,709 | 7,559 | 7,548 | 20,825 | -13,277 | 13,904 | 4,927 | 4,470 |
| Cayman Islands | 14,423 | -2,275 | -2,195 | 2,758 | -4,953 | 1,687 | 596 | 421 |
| China | 8,194 | 188 | 188 | 389 | -201 | 356 | 124 | 55 |
| China (Taiwan) | 24,529 | 151 | 150 | 453 | -303 | 302 | 105 | 102 |
| Colombia | 1,293 | -178 | -178 | 8 | -186 | [3] | [3] | [3] |
| Cyprus | 7,959 | -28 | -28 | 31 | -59 | 29 | 10 | 10 |
| Denmark | 15,230 | 366 | 367 | 784 | -417 | 700 | 245 | 219 |
| Finland | 14,148 | 192 | 200 | 409 | -210 | 309 | 110 | 108 |
| Former Soviet Union [2] | 11,636 | 38 | 38 | 374 | -337 | 373 | 131 | 113 |
| France | 173,655 | 6,691 | 7,467 | 16,168 | -8,701 | 11,653 | 4,100 | 3,365 |
| Germany | 253,741 | -8,098 | -7,666 | 12,182 | -19,848 | 8,513 | 3,037 | 2,595 |
| Gibraltar | 9,529 | -893 | -892 | 63 | -955 | 63 | 22 | 21 |
| Hong Kong | 13,924 | -315 | -314 | 150 | -465 | 84 | 29 | 28 |
| Hungary | 10,379 | 470 | 502 | 672 | -169 | 671 | 247 | 161 |
| India | 12,138 | -23 | -22 | 493 | -515 | 405 | 146 | 141 |
| Ireland | 19,748 | 150 | 150 | 866 | -716 | 599 | 212 | 193 |
| Israel | 23,877 | -688 | -638 | 622 | -1,260 | 525 | 181 | 152 |
| Italy | 18,910 | 488 | 523 | 1,413 | -890 | 1,254 | 452 | 397 |
| Japan | 430,202 | -3,102 | -2,729 | 14,867 | -17,595 | 11,695 | 4,107 | 3,606 |
| Liechtenstein | 3,642 | 165 | 162 | 242 | -80 | 197 | 69 | 69 |
| Luxembourg | 43,123 | -470 | -364 | 2,765 | -3,129 | 2,405 | 907 | 790 |
| Mexico | 24,448 | 2,136 | 2,389 | 3,621 | -1,232 | 2,523 | 890 | 390 |
| Netherlands | 159,561 | -251 | -164 | 7,937 | -8,101 | 5,403 | 1,914 | 1,696 |
| Netherlands Antilles | 5,949 | 1,115 | 1,159 | 1,292 | -132 | 1,257 | 438 | 391 |
| Norway | 15,265 | -109 | -108 | 580 | -687 | 516 | 180 | 165 |
| Panama | 6,878 | 715 | 729 | 814 | -85 | 480 | 168 | 150 |
| Puerto Rico | 57 | -1,433 | -1,437 | 14 | -1,451 | 13 | 4 | 4 |
| Saudi Arabia | 18,449 | -144 | -145 | 387 | -532 | 348 | 122 | 120 |
| Singapore | 12,851 | -418 | -398 | 213 | -611 | 182 | 64 | 59 |
| South Africa, Republic of | 4,498 | 15 | 15 | 179 | -164 | 147 | 52 | 51 |
| South Korea, Republic of | 69,003 | -300 | -275 | 883 | -1,158 | 457 | 158 | 136 |
| Spain | 13,955 | 263 | 173 | 1,846 | -1,674 | 1,618 | 567 | 555 |
| Sweden | 61,035 | 5,434 | 6,282 | 6,881 | -599 | 6,454 | 2,264 | 1,236 |
| Switzerland | 138,377 | -22,711 | -22,690 | 13,895 | -36,585 | 13,015 | 4,557 | 4,243 |
| United Arab Emirates | 3,747 | -43 | -38 | 353 | -392 | 148 | 51 | 45 |
| United Kingdom | 716,512 | 28,337 | 30,791 | 43,090 | -12,299 | 40,212 | 14,100 | 8,955 |
| Venezuela | 44,270 | 1,177 | 1,174 | 1,408 | -234 | 1,393 | 485 | 481 |

[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.

[3] Less than \$500,000.

NOTES: "New" corporations were those with dates of incorporation between 2006 and 2009; "old" corporations were those with dates of incorporation prior to 2006, 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, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | 3,854 | 2,432 | 2,362 | 9,605,852 | 4,400,757 | 5,205,094 | 45,254 |
| Mining | 91 | 55 | 56 | 161,714 | 43,795 | 117,919 | 762 |
| Utilities | 29 | 12 | 10 | 126,083 | 20,305 | 105,778 | 0 |
| Manufacturing | 1,392 | 825 | 807 | 2,287,548 | 943,341 | 1,344,207 | 3,562 |
| Food manufacturing | 102 | 63 | 60 | 65,431 | 16,070 | 49,361 | 59 |
| Petroleum and coal products manufacturing | 19 | 15 | 15 | 651,174 | 388,939 | 262,235 | 1,134 |
| Chemical manufacturing | 168 | 120 | 116 | 404,377 | 140,766 | 263,612 | 491 |
| Primary metal manufacturing | 83 | 53 | 56 | 72,721 | 27,826 | 44,895 | 0 |
| Machinery manufacturing | 171 | 117 | 116 | 99,766 | 44,562 | 55,204 | 65 |
| Computer and electronic product manufacturing | 130 | 86 | 83 | 155,154 | 42,020 | 113,134 | 682 |
| Transportation equipment manufacturing | 230 | 93 | 92 | 380,017 | 154,747 | 225,270 | 94 |
| Wholesale and retail trade | 1,201 | 837 | 814 | 586,390 | 296,730 | 289,660 | 4,446 |
| Wholesale trade | 1,111 | 794 | 769 | 512,141 | 271,733 | 240,408 | 3,708 |
| Wholesale trade, durable goods | 735 | 519 | 505 | 330,555 | 199,881 | 130,674 | 3,572 |
| Wholesale trade, nondurable goods | 375 | 274 | 263 | 181,587 | 71,852 | 109,735 | 136 |
| Retail trade | 90 | 44 | 46 | 74,249 | 24,997 | 49,252 | 738 |
| Food, beverage and liquor stores | 11 | 6 | 7 | 31,959 | 7,899 | 24,060 | 412 |
| Transportation and warehousing | 129 | 81 | 73 | 64,477 | 12,367 | 52,110 | 197 |
| Information | 119 | 68 | 65 | 266,279 | 44,039 | 222,239 | 3,937 |
| Finance and insurance | 304 | 184 | 186 | 4,642,540 | 2,227,399 | 2,415,140 | 30,310 |
| Securities, commodity contracts, and other financial investments and related activities | 88 | 52 | 53 | 2,456,809 | 1,703,004 | 753,805 | 556 |
| Insurance carriers and related activities | 127 | 75 | 78 | 1,824,222 | 337,935 | 1,486,287 | 439 |
| Professional, scientific, and technical services | 206 | 132 | 122 | 140,699 | 43,990 | 96,709 | 176 |
| Management of companies (holding companies) | 75 | 50 | 50 | 1,124,819 | 711,408 | 413,411 | 1,414 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 13,679 | 9,399 | 9,126 | 46,150,797 | 18,019,067 | 28,131,730 | 101,157 |
| Mining | 231 | 145 | 152 | 590,572 | 119,643 | 470,929 | 1,731 |
| Utilities | 158 | 98 | 99 | 1,318,043 | 233,136 | 1,084,908 | 22 |
| Manufacturing | 2,845 | 1,891 | 1,766 | 6,989,163 | 2,377,914 | 4,611,249 | 66,643 |
| Food manufacturing | 306 | 219 | 209 | 675,297 | 363,177 | 312,120 | 141 |
| Petroleum and coal products manufacturing | 39 | 32 | 31 | 1,246,929 | 357,930 | 888,999 | 29,242 |
| Chemical manufacturing | 288 | 211 | 201 | 1,147,519 | 300,304 | 847,215 | 27,859 |
| Primary metal manufacturing | 155 | 114 | 106 | 188,264 | 80,271 | 107,993 | 158 |
| Machinery manufacturing | 245 | 196 | 186 | 299,388 | 121,249 | 178,139 | 1,221 |
| Computer and electronic product manufacturing | 388 | 244 | 205 | 799,203 | 281,121 | 518,081 | 2,048 |
| Transportation equipment manufacturing | 192 | 102 | 103 | 801,825 | 358,329 | 443,496 | 132 |
| Wholesale and retail trade | 3,535 | 2,510 | 2,440 | 1,882,013 | 643,739 | 1,238,274 | 948 |
| Wholesale trade | 2,232 | 1,735 | 1,684 | 906,001 | 296,599 | 609,402 | 377 |
| Wholesale trade, durable goods | 941 | 727 | 722 | 188,774 | 98,498 | 90,276 | 221 |
| Wholesale trade, nondurable goods | 1,290 | 1,007 | 961 | 716,951 | 197,985 | 518,967 | 156 |
| Retail trade | 1,303 | 774 | 756 | 976,012 | 347,139 | 628,872 | 571 |
| Food, beverage and liquor stores | 160 | 119 | 117 | 93,060 | 28,597 | 64,462 | 3 |
| Transportation and warehousing | 417 | 279 | 256 | 493,582 | 102,711 | 390,871 | 1,767 |
| Information | 582 | 344 | 319 | 1,957,881 | 350,199 | 1,607,682 | 563 |
| Finance and insurance | 1,733 | 1,222 | 1,242 | 15,230,810 | 5,145,149 | 10,085,661 | 4,872 |
| Securities, commodity contracts, and other financial investments and related activities | 152 | 105 | 105 | 4,983,030 | 2,795,365 | 2,187,665 | 22 |
| Insurance carriers and related activities | 803 | 550 | 566 | 6,128,113 | 1,399,034 | 4,729,078 | 2,304 |
| Professional, scientific, and technical services | 820 | 550 | 529 | 306,074 | 140,376 | 165,698 | 272 |
| Management of companies (holding companies) | 1,256 | 946 | 975 | 16,446,105 | 8,632,569 | 7,813,536 | 23,556 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | 4,623,710 | 3,285,653 | 152,368 | 1,696,488 | -67,029 | 12,934 | -79,963 |
| Mining | 28,985 | 58,138 | 4,058 | 74,592 | 17,751 | 3 | 17,748 |
| Utilities | 33,323 | 60,482 | 2,115 | 32,279 | -6,617 | 1 | -6,618 |
| Manufacturing | 892,161 | 729,883 | 61,900 | 665,505 | 31,709 | 336 | 31,373 |
| Food manufacturing | 21,689 | 29,401 | 9,725 | 14,340 | -3,074 | 0 | -3,074 |
| Petroleum and coal products manufacturing | 421,884 | 102,016 | 3 | 127,274 | 18,464 | 17 | 18,446 |
| Chemical manufacturing | 125,756 | 133,077 | 20,584 | 145,544 | 68,642 | 6 | 68,636 |
| Primary metal manufacturing | 19,038 | 32,231 | 5,372 | 21,452 | -4,391 | 0 | -4,391 |
| Machinery manufacturing | 31,290 | 29,426 | 1,480 | 39,050 | -690 | 62 | -752 |
| Computer and electronic product manufacturing | 33,198 | 52,931 | 16,893 | 69,025 | -54,393 | 87 | -54,480 |
| Transportation equipment manufacturing | 119,119 | 135,121 | 2,136 | 125,777 | 19,882 | 3 | 19,878 |
| Wholesale and retail trade | 233,154 | 171,887 | 7,872 | 181,349 | 18,508 | 66 | 18,442 |
| Wholesale trade | 212,773 | 143,595 | 7,023 | 155,773 | 18,246 | 66 | 18,179 |
| Wholesale trade, durable goods | 149,794 | 85,946 | 5,425 | 94,815 | 13,279 | 66 | 13,213 |
| Wholesale trade, nondurable goods | 62,978 | 57,650 | 1,597 | 60,959 | 4,966 | 0 | 4,966 |
| Retail trade | 20,382 | 28,292 | 850 | 25,575 | 263 | 0 | 263 |
| Food, beverage and liquor stores | 6,804 | 14,687 | 83 | 10,469 | -1,964 | 0 | -1,964 |
| Transportation and warehousing | 13,874 | 33,452 | 3,989 | 17,151 | -4,986 | 22 | -5,008 |
| Information | 48,595 | 113,257 | 33,468 | 104,427 | -39,063 | 183 | -39,246 |
| Finance and insurance | 2,556,149 | 1,682,084 | 23,548 | 404,307 | -52,703 | 12,218 | -64,921 |
| Securities, commodity contracts, and other financial investments and related activities | 1,656,442 | 719,073 | 13,671 | 81,294 | -28,473 | 0 | -28,473 |
| Insurance carriers and related activities | 706,416 | 820,204 | 601 | 297,602 | -17,387 | 12,211 | -29,598 |
| Professional, scientific, and technical services | 42,201 | 40,166 | 3,259 | 58,332 | -13,324 | 34 | -13,357 |
| Management of companies (holding companies) | 729,351 | 290,303 | 2,585 | 105,165 | 7,931 | 0 | 7,931 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 23,663,595 | 13,029,058 | 61,301 | 9,458,144 | 2,719,678 | 92,339 | 2,627,338 |
| Mining | 109,893 | 233,872 | 254 | 246,807 | 105,777 | 220 | 105,558 |
| Utilities | 224,995 | 776,684 | 108 | 316,365 | 62,172 | 2,094 | 60,078 |
| Manufacturing | 2,199,738 | 2,469,534 | 44,819 | 2,319,890 | 1,105,951 | 6,206 | 1,099,745 |
| Food manufacturing | 358,191 | 144,528 | 727 | 172,578 | 78,697 | 91 | 78,606 |
| Petroleum and coal products manufacturing | 321,992 | 264,122 | 21,099 | 660,815 | 444,912 | 2,167 | 442,745 |
| Chemical manufacturing | 285,099 | 411,599 | 2,539 | 450,821 | 283,685 | 43 | 283,642 |
| Primary metal manufacturing | 59,118 | 53,967 | 53 | 75,179 | 33,995 | 0 | 33,995 |
| Machinery manufacturing | 92,452 | 119,183 | 1,697 | 87,753 | 66,869 | 81 | 66,788 |
| Computer and electronic product manufacturing | 224,881 | 212,723 | 1,315 | 361,598 | 13,751 | 2,217 | 11,534 |
| Transportation equipment manufacturing | 328,052 | 434,584 | 490 | 39,189 | -50,864 | 53 | -50,917 |
| Wholesale and retail trade | 571,567 | 536,255 | 2,447 | 774,190 | 485,021 | 1,034 | 483,987 |
| Wholesale trade | 230,417 | 240,147 | 852 | 435,438 | 278,491 | 527 | 277,964 |
| Wholesale trade, durable goods | 63,875 | 50,339 | 395 | 74,560 | 41,133 | 279 | 40,854 |
| Wholesale trade, nondurable goods | 166,445 | 189,677 | 457 | 360,829 | 237,285 | 248 | 237,037 |
| Retail trade | 341,151 | 296,109 | 1,595 | 338,752 | 206,531 | 507 | 206,024 |
| Food, beverage and liquor stores | 36,942 | 28,496 | 246 | 27,622 | 26,520 | 7 | 26,512 |
| Transportation and warehousing | 105,499 | 269,515 | 3,308 | 118,567 | 29,315 | 3 | 29,312 |
| Information | 423,323 | 877,855 | 880 | 656,703 | -128,151 | 703 | -128,854 |
| Finance and insurance | 7,867,324 | 5,350,778 | 2,844 | 2,012,707 | 492,843 | 78,141 | 414,702 |
| Securities, commodity contracts, and other financial investments and related activities | 2,751,115 | 1,646,673 | 18 | 585,241 | 45,716 | 148 | 45,569 |
| Insurance carriers and related activities | 2,780,858 | 2,153,042 | 2,510 | 1,194,212 | 505,908 | 76,346 | 429,563 |
| Professional, scientific, and technical services | 105,892 | 96,677 | 810 | 103,505 | -60,193 | 137 | -60,330 |
| Management of companies (holding companies) | 11,831,366 | 1,937,252 | 2,114 | 2,677,487 | 574,111 | 1,627 | 572,484 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | 3,814,962 | 3,353,418 | 272,642 | 8,911 | 18,290 | 6,116 | 6,679 |
| Mining | 80,452 | 73,399 | 889 | 79 | 381 | 1,293 | 800 |
| Utilities | 57,020 | 52,509 | 628 | 132 | 0 | 37 | 7 |
| Manufacturing | 1,837,721 | 1,758,610 | 20,504 | 2,291 | 9,107 | 1,080 | 3,563 |
| Food manufacturing | 75,806 | 73,788 | 143 | 12 | 49 | 1 | 191 |
| Petroleum and coal products manufacturing | 738,706 | 725,472 | 1,502 | 513 | 286 | 95 | 1,069 |
| Chemical manufacturing | 254,099 | 226,467 | 2,897 | 147 | 6,123 | 93 | 838 |
| Primary metal manufacturing | 80,350 | 78,548 | 438 | 21 | 19 | 12 | 24 |
| Machinery manufacturing | 80,980 | 76,951 | 1,374 | 188 | 205 | 1 | 100 |
| Computer and electronic product manufacturing | 106,904 | 102,168 | 1,726 | 60 | 559 | 7 | 481 |
| Transportation equipment manufacturing | 207,051 | 194,486 | 7,796 | 414 | 250 | 24 | 102 |
| Wholesale and retail trade | 901,000 | 878,103 | 5,256 | 1,386 | 2,598 | 220 | 250 |
| Wholesale trade | 776,240 | 756,056 | 4,610 | 1,091 | 2,404 | 183 | 211 |
| Wholesale trade, durable goods | 515,906 | 503,337 | 3,721 | 807 | 1,385 | 113 | 153 |
| Wholesale trade, nondurable goods | 260,334 | 252,719 | 889 | 284 | 1,018 | 70 | 58 |
| Retail trade | 124,760 | 122,048 | 647 | 295 | 194 | 37 | 38 |
| Food, beverage and liquor stores | 67,925 | 67,001 | 125 | 225 | 0 | 34 | 0 |
| Transportation and warehousing | 59,267 | 56,197 | 416 | 242 | 0 | 15 | 17 |
| Information | 96,377 | 83,327 | 2,218 | 149 | 4,181 | 85 | 370 |
| Finance and insurance | 478,052 | 240,064 | 175,506 | 1,659 | 40 | 3,183 | 563 |
| Securities, commodity contracts, and other financial investments and related activities | 145,127 | 29,480 | 120,303 | 670 | 27 | 163 | 154 |
| Insurance carriers and related activities | 310,438 | 199,208 | 43,898 | 934 | 5 | 3,014 | 406 |
| Professional, scientific, and technical services | 76,089 | 70,039 | 1,244 | 76 | 1,135 | 41 | 183 |
| Management of companies (holding companies) | 84,759 | 9,250 | 63,989 | 1,213 | 37 | 103 | 814 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 14,570,822 | 12,092,430 | 1,454,147 | 79,470 | 144,635 | 27,859 | 95,839 |
| Mining | 294,263 | 261,773 | 3,448 | 1,042 | 1,079 | 462 | 6,763 |
| Utilities | 677,963 | 649,976 | 5,665 | 2,200 | 462 | 242 | 663 |
| Manufacturing | 4,960,477 | 4,443,918 | 151,029 | 27,728 | 90,990 | 5,734 | 67,740 |
| Food manufacturing | 366,734 | 350,424 | 3,201 | 386 | 1,922 | 116 | 2,715 |
| Petroleum and coal products manufacturing | 1,562,430 | 1,482,054 | 15,122 | 896 | 962 | 454 | 25,343 |
| Chemical manufacturing | 544,872 | 465,187 | 9,332 | 579 | 27,048 | 479 | 11,701 |
| Primary metal manufacturing | 150,497 | 144,266 | 1,825 | 63 | 566 | 18 | 810 |
| Machinery manufacturing | 237,687 | 219,629 | 4,419 | 1,534 | 3,293 | 33 | 2,119 |
| Computer and electronic product manufacturing | 523,290 | 462,852 | 6,081 | 1,392 | 34,979 | 295 | 8,509 |
| Transportation equipment manufacturing | 609,500 | 541,622 | 21,358 | 8,385 | 9,577 | 73 | 5,996 |
| Wholesale and retail trade | 3,008,334 | 2,910,751 | 15,472 | 5,305 | 9,953 | 2,037 | 3,401 |
| Wholesale trade | 1,244,733 | 1,208,432 | 7,784 | 2,618 | 4,251 | 1,939 | 2,180 |
| Wholesale trade, durable goods | 324,338 | 316,967 | 1,473 | 709 | 516 | 17 | 373 |
| Wholesale trade, nondurable goods | 919,965 | 891,055 | 6,309 | 1,906 | 3,735 | 1,921 | 1,807 |
| Retail trade | 1,763,602 | 1,702,319 | 7,689 | 2,687 | 5,702 | 98 | 1,221 |
| Food, beverage and liquor stores | 245,169 | 240,563 | 578 | 313 | 1,664 | 7 | 8 |
| Transportation and warehousing | 435,879 | 418,173 | 3,315 | 1,084 | 1,978 | 43 | 444 |
| Information | 843,357 | 715,696 | 21,941 | 11,146 | 27,794 | 805 | 2,638 |
| Finance and insurance | 2,376,221 | 1,506,700 | 670,046 | 9,939 | 990 | 16,035 | 5,927 |
| Securities, commodity contracts, and other financial investments and related activities | 261,947 | 90,184 | 166,706 | 420 | 291 | 1,379 | 1,711 |
| Insurance carriers and related activities | 1,696,802 | 1,340,256 | 191,715 | 9,086 | 377 | 12,007 | 3,653 |
| Professional, scientific, and technical services | 273,625 | 261,023 | 3,462 | 315 | 2,407 | 43 | 662 |
| Management of companies (holding companies) | 857,080 | 142,681 | 571,078 | 17,136 | 315 | 2,357 | 5,391 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | 3,797,245 | 2,490,804 | 13,545 | 232,787 | 229,917 | 44,667 | 105,102 |
| Mining | 70,919 | 40,268 | 318 | 3,524 | 2,494 | 1,250 | 4,593 |
| Utilities | 58,727 | 32,159 | 164 | 2,106 | 2,658 | 1,987 | 3,136 |
| Manufacturing | 1,796,711 | 1,390,825 | 4,930 | 82,483 | 41,044 | 19,284 | 49,339 |
| Food manufacturing | 73,418 | 51,335 | 261 | 3,544 | 1,807 | 580 | 1,818 |
| Petroleum and coal products manufacturing | 716,917 | 660,195 | 130 | 6,737 | 3,095 | 5,796 | 4,854 |
| Chemical manufacturing | 234,942 | 136,685 | 1,526 | 24,292 | 6,828 | 3,088 | 7,452 |
| Primary metal manufacturing | 76,942 | 65,353 | 192 | 1,489 | 1,550 | 453 | 1,946 |
| Machinery manufacturing | 78,654 | 58,189 | 337 | 5,587 | 2,366 | 869 | 1,716 |
| Computer and electronic product manufacturing | 110,103 | 72,406 | 341 | 10,163 | 3,220 | 1,031 | 2,312 |
| Transportation equipment manufacturing | 214,913 | 150,265 | 362 | 6,153 | 10,500 | 1,143 | 18,825 |
| Wholesale and retail trade | 893,806 | 715,502 | 1,895 | 41,443 | 10,757 | 6,836 | 23,829 |
| Wholesale trade | 769,435 | 631,263 | 1,726 | 29,829 | 8,335 | 5,063 | 20,489 |
| Wholesale trade, durable goods | 518,046 | 426,396 | 976 | 20,497 | 4,661 | 3,120 | 17,514 |
| Wholesale trade, nondurable goods | 251,388 | 204,867 | 750 | 9,331 | 3,674 | 1,943 | 2,975 |
| Retail trade | 124,371 | 84,239 | 169 | 11,614 | 2,422 | 1,774 | 3,340 |
| Food, beverage and liquor stores | 66,946 | 46,891 | 45 | 6,242 | 777 | 943 | 2,000 |
| Transportation and warehousing | 60,692 | 24,745 | 255 | 9,696 | 1,364 | 1,426 | 2,232 |
| Information | 92,174 | 30,875 | 545 | 12,683 | 8,678 | 1,625 | 4,924 |
| Finance and insurance | 522,402 | 152,816 | 3,491 | 33,279 | 118,268 | 4,815 | 8,655 |
| Securities, commodity contracts, and other financial investments and related activities | 183,845 | 1,502 | 2,004 | 17,942 | 99,576 | 1,315 | 1,242 |
| Insurance carriers and related activities | 314,892 | 151,120 | 1,337 | 13,685 | 7,537 | 3,328 | 1,175 |
| Professional, scientific, and technical services | 72,018 | 25,465 | 864 | 17,159 | 2,649 | 3,193 | 1,354 |
| Management of companies (holding companies) | 86,181 | 1,719 | 258 | 8,729 | 36,352 | 1,025 | 2,301 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 14,213,998 | 7,919,092 | 63,228 | 1,300,434 | 1,167,388 | 237,221 | 448,103 |
| Mining | 268,503 | 139,306 | 2,789 | 10,766 | 10,542 | 7,087 | 21,953 |
| Utilities | 672,408 | 426,668 | 1,913 | 22,739 | 29,373 | 20,402 | 47,608 |
| Manufacturing | 4,732,870 | 3,391,710 | 16,673 | 269,582 | 213,244 | 63,013 | 122,483 |
| Food manufacturing | 354,399 | 268,027 | 1,398 | 14,614 | 9,060 | 2,853 | 7,124 |
| Petroleum and coal products manufacturing | 1,468,378 | 1,335,739 | 1,107 | 18,877 | 19,917 | 24,684 | 13,769 |
| Chemical manufacturing | 506,063 | 288,718 | 2,192 | 45,936 | 19,477 | 5,466 | 15,367 |
| Primary metal manufacturing | 142,448 | 115,334 | 594 | 3,754 | 3,342 | 1,268 | 4,127 |
| Machinery manufacturing | 223,939 | 149,771 | 1,498 | 18,244 | 6,316 | 2,268 | 7,752 |
| Computer and electronic product manufacturing | 490,621 | 290,036 | 3,320 | 71,599 | 8,635 | 6,809 | 18,648 |
| Transportation equipment manufacturing | 614,220 | 427,843 | 1,362 | 24,182 | 32,448 | 6,287 | 22,378 |
| Wholesale and retail trade | 2,923,349 | 2,246,739 | 8,579 | 242,695 | 31,325 | 37,318 | 55,498 |
| Wholesale trade | 1,209,951 | 1,008,066 | 5,324 | 64,493 | 13,485 | 10,296 | 17,662 |
| Wholesale trade, durable goods | 315,588 | 251,810 | 2,199 | 23,320 | 3,807 | 3,074 | 4,698 |
| Wholesale trade, nondurable goods | 893,942 | 756,256 | 3,119 | 40,928 | 9,671 | 7,197 | 12,960 |
| Retail trade | 1,713,397 | 1,238,673 | 3,256 | 178,201 | 17,839 | 27,022 | 37,835 |
| Food, beverage and liquor stores | 241,397 | 177,694 | 278 | 23,830 | 1,508 | 3,539 | 5,574 |
| Transportation and warehousing | 427,125 | 121,350 | 1,729 | 76,776 | 10,742 | 12,942 | 26,004 |
| Information | 788,688 | 132,648 | 5,309 | 130,692 | 52,568 | 20,337 | 70,401 |
| Finance and insurance | 2,468,040 | 1,032,121 | 9,593 | 208,147 | 452,728 | 31,098 | 24,227 |
| Securities, commodity contracts, and other financial investments and related activities | 331,797 | 1,820 | 4,698 | 51,377 | 163,132 | 4,546 | 3,243 |
| Insurance carriers and related activities | 1,694,842 | 1,028,820 | 3,251 | 130,915 | 49,931 | 23,189 | 15,547 |
| Professional, scientific, and technical services | 266,971 | 95,618 | 5,617 | 69,503 | 6,531 | 7,137 | 6,191 |
| Management of companies (holding companies) | 833,219 | 4,306 | 4,099 | 111,872 | 330,811 | 12,066 | 29,760 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | 17,718 | 7,415 | 23,498 | 142,766 | -119,269 | 23,088 | 19,686 |
| Mining | 9,534 | 619 | 10,146 | 12,088 | -1,941 | 1,266 | 232 |
| Utilities | -1,707 | 0 | -1,712 | 484 | -2,195 | 321 | 291 |
| Manufacturing | 41,010 | 4,230 | 45,174 | 72,448 | -27,274 | 5,762 | 4,851 |
| Food manufacturing | 2,388 | 65 | 2,453 | 2,793 | -340 | 424 | 423 |
| Petroleum and coal products manufacturing | 21,789 | 1,851 | 23,637 | 24,053 | -416 | 123 | 53 |
| Chemical manufacturing | 19,158 | 1,169 | 20,278 | 23,658 | -3,379 | 1,747 | 1,671 |
| Primary metal manufacturing | 3,408 | 288 | 3,696 | 4,290 | -595 | 69 | 60 |
| Machinery manufacturing | 2,326 | 126 | 2,452 | 3,509 | -1,057 | 218 | 217 |
| Computer and electronic product manufacturing | -3,200 | 202 | -3,000 | 2,673 | -5,673 | 749 | 744 |
| Transportation equipment manufacturing | -7,863 | 40 | -7,825 | 1,731 | -9,556 | 467 | 448 |
| Wholesale and retail trade | 7,194 | 268 | 7,428 | 18,935 | -11,507 | 3,865 | 3,704 |
| Wholesale trade | 6,805 | 261 | 7,033 | 16,583 | -9,551 | 3,469 | 3,333 |
| Wholesale trade, durable goods | -2,140 | 206 | -1,939 | 6,294 | -8,233 | 1,147 | 1,068 |
| Wholesale trade, nondurable goods | 8,945 | 56 | 8,972 | 10,290 | -1,318 | 2,322 | 2,266 |
| Retail trade | 388 | 7 | 395 | 2,352 | -1,956 | 396 | 371 |
| Food, beverage and liquor stores | 980 | 1 | 981 | 1,484 | -503 | 38 | 15 |
| Transportation and warehousing | -1,425 | 9 | -1,416 | 943 | -2,359 | 168 | 156 |
| Information | 4,203 | 306 | 4,504 | 6,650 | -2,146 | 3,066 | 2,956 |
| Finance and insurance | -44,351 | 913 | -44,605 | 15,278 | -59,883 | 6,441 | 5,452 |
| Securities, commodity contracts, and other financial investments and related activities | -38,718 | 551 | -38,603 | 3,659 | -42,263 | 238 | 167 |
| Insurance carriers and related activities | -4,454 | 353 | -4,780 | 9,814 | -14,594 | 5,957 | 5,043 |
| Professional, scientific, and technical services | 4,071 | 164 | 4,232 | 5,506 | -1,274 | 1,010 | 975 |
| Management of companies (holding companies) | -1,422 | 776 | -979 | 6,183 | -7,161 | 322 | 247 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 356,824 | 141,293 | 467,992 | 817,977 | -349,985 | 80,563 | 60,798 |
| Mining | 25,760 | 3,954 | 29,688 | 35,971 | -6,282 | 2,847 | 2,483 |
| Utilities | 5,555 | 772 | 6,194 | 17,337 | -11,143 | 2,930 | 2,726 |
| Manufacturing | 227,607 | 103,691 | 330,200 | 373,545 | -43,345 | 20,715 | 15,270 |
| Food manufacturing | 12,335 | 3,330 | 15,627 | 17,073 | -1,446 | 560 | 472 |
| Petroleum and coal products manufacturing | 94,053 | 27,402 | 121,348 | 121,975 | -626 | 971 | 615 |
| Chemical manufacturing | 38,809 | 19,096 | 57,758 | 61,910 | -4,152 | 4,044 | 3,481 |
| Primary metal manufacturing | 8,049 | 833 | 8,865 | 9,544 | -679 | 472 | 460 |
| Machinery manufacturing | 13,748 | 5,546 | 19,202 | 20,515 | -1,313 | 464 | 439 |
| Computer and electronic product manufacturing | 32,668 | 16,746 | 49,008 | 55,210 | -6,202 | 6,782 | 6,502 |
| Transportation equipment manufacturing | -4,720 | 5,284 | 533 | 20,136 | -19,602 | 959 | 899 |
| Wholesale and retail trade | 84,986 | 5,717 | 90,245 | 101,329 | -11,084 | 5,123 | 3,664 |
| Wholesale trade | 34,781 | 3,283 | 37,845 | 42,058 | -4,213 | 3,022 | 1,650 |
| Wholesale trade, durable goods | 8,750 | 632 | 9,351 | 11,794 | -2,443 | 500 | 488 |
| Wholesale trade, nondurable goods | 26,023 | 2,651 | 28,486 | 30,256 | -1,770 | 2,521 | 1,162 |
| Retail trade | 50,204 | 2,434 | 52,399 | 59,271 | -6,871 | 2,101 | 2,014 |
| Food, beverage and liquor stores | 3,772 | 6 | 3,745 | 3,927 | -182 | 78 | 73 |
| Transportation and warehousing | 8,754 | 402 | 9,084 | 15,110 | -6,026 | 493 | 459 |
| Information | 54,668 | 4,180 | 58,472 | 69,522 | -11,050 | 16,981 | 16,361 |
| Finance and insurance | -91,819 | 9,504 | -101,803 | 91,439 | -193,242 | 17,831 | 8,262 |
| Securities, commodity contracts, and other financial investments and related activities | -69,850 | 5,241 | -65,513 | 13,972 | -79,485 | 1,247 | 245 |
| Insurance carriers and related activities | 1,960 | 3,477 | -10,629 | 51,466 | -62,094 | 13,219 | 7,329 |
| Professional, scientific, and technical services | 6,653 | 840 | 7,386 | 13,007 | -5,621 | 2,871 | 2,837 |
| Management of companies (holding companies) | 23,861 | 9,278 | 25,055 | 63,094 | -38,039 | 7,670 | 5,711 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | 124,817 | 44,080 | 43,582 | 484 | 10,723 | 9,095 | 33,356 |
| Mining | 10,823 | 3,891 | 3,790 | 101 | 1,443 | 1,165 | 2,448 |
| Utilities | 168 | 65 | 59 | 6 | 9 | 0 | 55 |
| Manufacturing | 66,780 | 23,520 | 23,312 | 205 | 7,233 | 6,575 | 16,287 |
| Food manufacturing | 2,368 | 834 | 827 | 8 | 68 | 58 | 766 |
| Petroleum and coal products manufacturing | 23,930 | 8,375 | 8,375 | 0 | 4,471 | 4,377 | 3,905 |
| Chemical manufacturing | 21,948 | 7,708 | 7,679 | 28 | 1,371 | 1,080 | 6,337 |
| Primary metal manufacturing | 4,229 | 1,564 | 1,445 | 119 | 520 | 491 | 1,045 |
| Machinery manufacturing | 3,291 | 1,158 | 1,149 | 10 | 128 | 87 | 1,030 |
| Computer and electronic product manufacturing | 1,925 | 680 | 668 | 11 | 125 | 77 | 555 |
| Transportation equipment manufacturing | 1,282 | 454 | 445 | 8 | 55 | 22 | 399 |
| Wholesale and retail trade | 15,106 | 5,315 | 5,265 | 49 | 358 | 175 | 4,957 |
| Wholesale trade | 13,148 | 4,618 | 4,581 | 37 | 326 | 153 | 4,292 |
| Wholesale trade, durable goods | 5,181 | 1,823 | 1,801 | 22 | 72 | 41 | 1,751 |
| Wholesale trade, nondurable goods | 7,968 | 2,795 | 2,780 | 15 | 254 | 112 | 2,541 |
| Retail trade | 1,958 | 697 | 684 | 12 | 32 | 22 | 665 |
| Food, beverage and liquor stores | 1,447 | 511 | 506 | 5 | 10 | 7 | 501 |
| Transportation and warehousing | 785 | 278 | 273 | 4 | 13 | 10 | 265 |
| Information | 3,629 | 1,311 | 1,269 | 37 | 186 | 104 | 1,125 |
| Finance and insurance | 13,595 | 4,784 | 4,744 | 38 | 510 | 397 | 4,274 |
| Securities, commodity contracts, and other financial investments and related activities | 3,510 | 1,234 | 1,216 | 18 | 66 | 54 | 1,168 |
| Insurance carriers and related activities | 8,523 | 2,999 | 2,982 | 15 | 412 | 312 | 2,587 |
| Professional, scientific, and technical services | 4,497 | 1,584 | 1,571 | 13 | 155 | 91 | 1,429 |
| Management of companies (holding companies) | 6,027 | 2,124 | 2,108 | 14 | 651 | 488 | 1,473 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 761,245 | 268,234 | 266,534 | 1,557 | 100,665 | 89,582 | 167,580 |
| Mining | 33,125 | 11,852 | 11,597 | 236 | 5,481 | 5,349 | 6,371 |
| Utilities | 14,854 | 5,278 | 5,197 | 80 | 535 | 223 | 4,742 |
| Manufacturing | 353,455 | 123,739 | 123,557 | 123 | 71,384 | 66,666 | 52,366 |
| Food manufacturing | 16,530 | 5,782 | 5,780 | 2 | 1,772 | 1,644 | 4,022 |
| Petroleum and coal products manufacturing | 121,130 | 42,399 | 42,395 | 2 | 33,918 | 33,549 | 8,481 |
| Chemical manufacturing | 58,028 | 20,287 | 20,247 | 31 | 11,618 | 10,548 | 8,669 |
| Primary metal manufacturing | 9,072 | 3,193 | 3,172 | 20 | 469 | 410 | 2,723 |
| Machinery manufacturing | 20,054 | 7,017 | 7,013 | 4 | 2,908 | 2,631 | 4,109 |
| Computer and electronic product manufacturing | 48,395 | 16,980 | 16,948 | 23 | 8,209 | 7,117 | 8,771 |
| Transportation equipment manufacturing | 19,213 | 6,775 | 6,722 | 13 | 1,811 | 1,434 | 4,964 |
| Wholesale and retail trade | 96,775 | 33,763 | 33,647 | 125 | 3,310 | 2,579 | 30,453 |
| Wholesale trade | 39,615 | 13,733 | 13,652 | 89 | 1,584 | 1,230 | 12,148 |
| Wholesale trade, durable goods | 11,298 | 3,938 | 3,938 | 9 | 291 | 242 | 3,648 |
| Wholesale trade, nondurable goods | 28,309 | 9,792 | 9,711 | 80 | 1,294 | 988 | 8,498 |
| Retail trade | 57,160 | 20,031 | 19,995 | 35 | 1,725 | 1,349 | 18,305 |
| Food, beverage and liquor stores | 3,849 | 1,346 | 1,345 | 1 | 51 | 2 | 1,295 |
| Transportation and warehousing | 14,632 | 5,140 | 5,116 | 23 | 469 | 344 | 4,671 |
| Information | 58,338 | 20,572 | 20,414 | 151 | 5,753 | 4,638 | 14,819 |
| Finance and insurance | 87,900 | 31,993 | 31,351 | 606 | 4,534 | 3,746 | 27,459 |
| Securities, commodity contracts, and other financial investments and related activities | 13,861 | 5,452 | 5,447 | 5 | 1,080 | 1,018 | 4,372 |
| Insurance carriers and related activities | 51,341 | 18,467 | 17,956 | 501 | 2,800 | 2,351 | 15,666 |
| Professional, scientific, and technical services | 10,142 | 3,584 | 3,542 | 42 | 589 | 444 | 2,995 |
| Management of companies (holding companies) | 57,139 | 20,006 | 19,931 | 71 | 5,938 | 3,510 | 14,068 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | 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 | Total receipts divided by total assets |
| | Divided by total number of returns | | Divided by total assets | | | (48) | (49) |
| | (43) | (44) | (45) | (46) | (47) | | |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 63.10 | 61.29 | 48.13 | 34.20 | 17.66 | 466.22 | 39.71 |
| Mining | 60.44 | 61.54 | 17.92 | 35.95 | 46.13 | 116.80 | 49.75 |
| Utilities | 41.38 | 34.48 | 26.43 | 47.97 | 25.60 | 290.61 | 45.22 |
| Manufacturing | 59.27 | 57.97 | 39.00 | 31.91 | 29.09 | 243.73 | 80.34 |
| Food manufacturing | 61.76 | 58.82 | 33.15 | 44.93 | 21.92 | 356.28 | 115.86 |
| Petroleum and coal products manufacturing | 78.95 | 78.95 | 64.79 | 15.67 | 19.55 | 411.63 | 113.44 |
| Chemical manufacturing | 71.43 | 69.05 | 31.10 | 32.91 | 35.99 | 177.84 | 62.84 |
| Primary metal manufacturing | 63.86 | 67.47 | 26.18 | 44.32 | 29.50 | 238.99 | 110.49 |
| Machinery manufacturing | 68.42 | 67.84 | 31.36 | 29.50 | 39.14 | 155.48 | 81.17 |
| Computer and electronic product manufacturing | 66.15 | 63.85 | 21.40 | 34.12 | 44.49 | 124.78 | 68.90 |
| Transportation equipment manufacturing | 40.43 | 40.00 | 31.35 | 35.56 | 33.10 | 202.14 | 54.48 |
| Wholesale and retail trade | 69.69 | 67.78 | 39.76 | 29.31 | 30.93 | 223.35 | 153.65 |
| Wholesale trade | 71.47 | 69.22 | 41.55 | 28.04 | 30.42 | 228.77 | 151.57 |
| Wholesale trade, durable goods | 70.61 | 68.71 | 45.32 | 26.00 | 28.68 | 248.63 | 156.07 |
| Wholesale trade, nondurable goods | 73.07 | 70.13 | 34.68 | 31.75 | 33.57 | 197.88 | 143.37 |
| Retail trade | 48.89 | 51.11 | 27.45 | 38.10 | 34.44 | 190.32 | 168.03 |
| Food, beverage and liquor stores | 54.55 | 63.64 | 21.29 | 45.96 | 32.76 | 205.28 | 212.54 |
| Transportation and warehousing | 62.79 | 56.59 | 21.52 | 51.88 | 26.60 | 275.94 | 91.92 |
| Information | 57.14 | 54.62 | 18.25 | 42.53 | 39.22 | 154.99 | 36.19 |
| Finance and insurance | 60.53 | 61.18 | 55.06 | 36.23 | 8.71 | 1,048.27 | 10.30 |
| Securities, commodity contracts, and other financial investments and related activities | 59.09 | 60.23 | 67.42 | 29.27 | 3.31 | 2,922.13 | 5.91 |
| Insurance carriers and related activities | 59.06 | 61.42 | 38.72 | 44.96 | 16.31 | 512.97 | 17.02 |
| Professional, scientific, and technical services | 64.08 | 59.22 | 29.99 | 28.55 | 41.46 | 141.20 | 54.08 |
| Management of companies (holding companies) | 66.67 | 66.67 | 64.84 | 25.81 | 9.35 | 969.58 | 7.54 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 68.71 | 66.72 | 51.27 | 28.23 | 20.49 | 387.95 | 31.57 |
| Mining | 62.77 | 65.80 | 18.61 | 39.60 | 41.79 | 139.28 | 49.83 |
| Utilities | 62.03 | 62.66 | 17.07 | 58.93 | 24.00 | 316.62 | 51.44 |
| Manufacturing | 66.47 | 62.07 | 31.47 | 35.33 | 33.19 | 201.27 | 70.97 |
| Food manufacturing | 71.57 | 68.30 | 53.04 | 21.40 | 25.56 | 291.30 | 54.31 |
| Petroleum and coal products manufacturing | 82.05 | 79.49 | 25.82 | 21.18 | 53.00 | 88.70 | 125.30 |
| Chemical manufacturing | 73.26 | 69.79 | 24.84 | 35.87 | 39.29 | 154.54 | 47.48 |
| Primary metal manufacturing | 73.55 | 68.39 | 31.40 | 28.67 | 39.93 | 150.42 | 79.94 |
| Machinery manufacturing | 80.00 | 75.92 | 30.88 | 39.81 | 29.31 | 241.17 | 79.39 |
| Computer and electronic product manufacturing | 62.89 | 52.84 | 28.14 | 26.62 | 45.24 | 121.02 | 65.48 |
| Transportation equipment manufacturing | 53.13 | 53.65 | 40.91 | 54.20 | 4.89 | 1,946.05 | 76.01 |
| Wholesale and retail trade | 71.00 | 69.02 | 30.37 | 28.49 | 41.14 | 143.09 | 159.85 |
| Wholesale trade | 77.73 | 75.45 | 25.43 | 26.51 | 48.06 | 108.07 | 137.39 |
| Wholesale trade, durable goods | 77.26 | 76.73 | 33.84 | 26.67 | 39.50 | 153.18 | 171.81 |
| Wholesale trade, nondurable goods | 78.06 | 74.50 | 23.22 | 26.46 | 50.33 | 98.70 | 128.32 |
| Retail trade | 59.40 | 58.02 | 34.95 | 30.34 | 34.71 | 188.12 | 180.69 |
| Food, beverage and liquor stores | 74.38 | 73.13 | 39.70 | 30.62 | 29.68 | 236.91 | 263.45 |
| Transportation and warehousing | 66.91 | 61.39 | 21.37 | 54.60 | 24.02 | 316.29 | 88.31 |
| Information | 59.11 | 54.81 | 21.62 | 44.84 | 33.54 | 198.14 | 43.07 |
| Finance and insurance | 70.51 | 71.67 | 51.65 | 35.13 | 13.21 | 656.73 | 15.60 |
| Securities, commodity contracts, and other financial investments and related activities | 69.08 | 69.08 | 55.21 | 33.05 | 11.74 | 751.45 | 5.26 |
| Insurance carriers and related activities | 68.49 | 70.49 | 45.38 | 35.13 | 19.49 | 413.15 | 27.69 |
| Professional, scientific, and technical services | 67.07 | 64.51 | 34.60 | 31.59 | 33.82 | 195.71 | 89.40 |
| Management of companies (holding companies) | 75.32 | 77.63 | 71.94 | 11.78 | 16.28 | 514.24 | 5.21 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

Statistics of Income Bulletin | Summer 2011

Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | Percentages—continued | | | | | | | |
|---|---|---|---|-------------|----------------|--------------------------------------|-------------|----------------|
| | Cost of goods sold divided by business receipts | Interest paid divided by total receipts | Total receipts less total deductions divided by | | | Net income (less deficit) divided by | | |
| | | | Total assets | Net worth | Total receipts | Total assets | Net worth | Total receipts |
| | (50) | (51) | (52) | (53) | (54) | (55) | (56) | (57) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | | |
| All industries | 74.28 | 6.03 | 0.18 | 1.04 | 0.46 | 0.24 | 1.39 | 0.62 |
| Mining | 54.86 | 3.10 | 5.90 | 12.78 | 11.85 | 6.27 | 13.60 | 12.61 |
| Utilities | 61.24 | 4.66 | -1.35 | -5.29 | -2.99 | -1.36 | -5.30 | -3.00 |
| Manufacturing | 79.09 | 2.23 | 1.79 | 6.16 | 2.23 | 1.97 | 6.79 | 2.46 |
| Food manufacturing | 69.57 | 2.38 | 3.65 | 16.65 | 3.15 | 3.75 | 17.11 | 3.24 |
| Petroleum and coal products manufacturing | 91.00 | 0.42 | 3.35 | 17.12 | 2.95 | 3.63 | 18.57 | 3.20 |
| Chemical manufacturing | 60.36 | 2.69 | 4.74 | 13.16 | 7.54 | 5.01 | 13.93 | 7.98 |
| Primary metal manufacturing | 83.20 | 1.93 | 4.69 | 15.89 | 4.24 | 5.08 | 17.23 | 4.60 |
| Machinery manufacturing | 75.62 | 2.92 | 2.33 | 5.96 | 2.87 | 2.46 | 6.28 | 3.03 |
| Computer and electronic product manufacturing | 70.87 | 3.01 | -2.06 | -4.64 | -2.99 | -1.93 | -4.35 | -2.81 |
| Transportation equipment manufacturing | 77.26 | 5.07 | -2.07 | -6.25 | -3.80 | -2.06 | -6.22 | -3.78 |
| Wholesale and retail trade | 81.48 | 1.19 | 1.23 | 3.97 | 0.80 | 1.27 | 4.10 | 0.82 |
| Wholesale trade | 83.49 | 1.07 | 1.33 | 4.37 | 0.88 | 1.37 | 4.51 | 0.91 |
| Wholesale trade, durable goods | 84.71 | 0.90 | -0.65 | -2.26 | -0.41 | -0.59 | -2.05 | -0.38 |
| Wholesale trade, nondurable goods | 81.07 | 1.41 | 4.93 | 14.67 | 3.44 | 4.94 | 14.72 | 3.45 |
| Retail trade | 69.02 | 1.94 | 0.52 | 1.52 | 0.31 | 0.53 | 1.54 | 0.32 |
| Food, beverage and liquor stores | 69.99 | 1.14 | 3.07 | 9.36 | 1.44 | 3.07 | 9.37 | 1.44 |
| Transportation and warehousing | 44.03 | 2.30 | -2.21 | -8.31 | -2.40 | -2.20 | -8.26 | -2.39 |
| Information | 37.05 | 9.00 | 1.58 | 4.02 | 4.36 | 1.69 | 4.31 | 4.67 |
| Finance and insurance | 63.66 | 24.74 | -0.96 | -10.97 | -9.28 | -0.96 | -11.03 | -9.33 |
| Securities, commodity contracts, and other financial investments and related activities | 5.09 | 68.61 | -1.58 | -47.63 | -26.68 | -1.57 | -47.49 | -26.60 |
| Insurance carriers and related activities | 75.86 | 2.43 | -0.24 | -1.50 | -1.43 | -0.26 | -1.61 | -1.54 |
| Professional, scientific, and technical services | 36.36 | 3.48 | 2.89 | 6.98 | 5.35 | 3.01 | 7.26 | 5.56 |
| Management of companies (holding companies) | 18.58 | 42.89 | -0.13 | -1.35 | -1.68 | -0.09 | -0.93 | -1.16 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | | |
| All industries | 65.49 | 8.01 | 0.77 | 3.77 | 2.45 | 1.01 | 4.95 | 3.21 |
| Mining | 53.22 | 3.58 | 4.36 | 10.44 | 8.75 | 5.03 | 12.03 | 10.09 |
| Utilities | 65.64 | 4.33 | 0.42 | 1.76 | 0.82 | 0.47 | 1.96 | 0.91 |
| Manufacturing | 76.32 | 4.30 | 3.26 | 9.81 | 4.59 | 4.72 | 14.23 | 6.66 |
| Food manufacturing | 76.49 | 2.47 | 1.83 | 7.15 | 3.36 | 2.31 | 9.06 | 4.26 |
| Petroleum and coal products manufacturing | 90.13 | 1.27 | 7.54 | 14.23 | 6.02 | 9.73 | 18.36 | 7.77 |
| Chemical manufacturing | 62.06 | 3.57 | 3.38 | 8.61 | 7.12 | 5.03 | 12.81 | 10.60 |
| Primary metal manufacturing | 79.95 | 2.22 | 4.28 | 10.71 | 5.35 | 4.71 | 11.79 | 5.89 |
| Machinery manufacturing | 68.19 | 2.66 | 4.59 | 15.67 | 5.78 | 6.41 | 21.88 | 8.08 |
| Computer and electronic product manufacturing | 62.66 | 1.65 | 4.09 | 9.03 | 6.24 | 6.13 | 13.55 | 9.37 |
| Transportation equipment manufacturing | 78.99 | 5.32 | -0.59 | -12.04 | -0.77 | 0.07 | 1.36 | 0.09 |
| Wholesale and retail trade | 77.19 | 1.04 | 4.52 | 10.98 | 2.83 | 4.80 | 11.66 | 3.00 |
| Wholesale trade | 83.42 | 1.08 | 3.84 | 7.99 | 2.79 | 4.18 | 8.69 | 3.04 |
| Wholesale trade, durable goods | 79.44 | 1.17 | 4.64 | 11.74 | 2.70 | 4.95 | 12.54 | 2.88 |
| Wholesale trade, nondurable goods | 84.87 | 1.05 | 3.63 | 7.21 | 2.83 | 3.97 | 7.89 | 3.10 |
| Retail trade | 72.76 | 1.01 | 5.14 | 14.82 | 2.85 | 5.37 | 15.47 | 2.97 |
| Food, beverage and liquor stores | 73.87 | 0.62 | 4.05 | 13.66 | 1.54 | 4.02 | 13.56 | 1.53 |
| Transportation and warehousing | 29.02 | 2.46 | 1.77 | 7.38 | 2.01 | 1.84 | 7.66 | 2.08 |
| Information | 18.53 | 6.23 | 2.79 | 8.32 | 6.48 | 2.99 | 8.90 | 6.93 |
| Finance and insurance | 68.50 | 19.05 | -0.60 | -4.56 | -3.86 | -0.67 | -5.06 | -4.28 |
| Securities, commodity contracts, and other financial investments and related activities | 2.02 | 62.28 | -1.40 | -11.94 | -26.67 | -1.31 | -11.19 | -25.01 |
| Insurance carriers and related activities | 76.76 | 2.94 | 0.03 | 0.16 | 0.12 | -0.17 | -0.89 | -0.63 |
| Professional, scientific, and technical services | 36.63 | 2.39 | 2.17 | 6.43 | 2.43 | 2.41 | 7.14 | 2.70 |
| Management of companies (holding companies) | 3.02 | 38.60 | 0.15 | 0.89 | 2.78 | 0.15 | 0.94 | 2.92 |

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 2008

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Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2008—Continued

[Money amounts are in millions of dollars]

| Control status and selected industries | Percentages—continued | | | | | | |
|---|--|----------------------------------|-------------|----------------|---|-------------|----------------|
| | Net operating loss deduction divided by net income | 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 |
| | (58) | (59) | (60) | (61) | (62) | (63) | (64) |
| FOREIGN-CONTROLLED DOMESTIC CORPORATIONS | | | | | | | |
| All industries | 13.79 | 1.30 | 7.36 | 3.27 | 0.35 | 1.97 | 0.87 |
| Mining | 1.92 | 6.69 | 14.51 | 13.45 | 1.51 | 3.28 | 3.04 |
| Utilities | 60.12 | 0.13 | 0.52 | 0.29 | 0.04 | 0.17 | 0.10 |
| Manufacturing | 6.70 | 2.92 | 10.03 | 3.63 | 0.71 | 2.45 | 0.89 |
| Food manufacturing | 15.15 | 3.62 | 16.51 | 3.12 | 1.17 | 5.34 | 1.01 |
| Petroleum and coal products manufacturing | 0.22 | 3.67 | 18.80 | 3.24 | 0.60 | 3.07 | 0.53 |
| Chemical manufacturing | 7.06 | 5.43 | 15.08 | 8.64 | 1.57 | 4.35 | 2.49 |
| Primary metal manufacturing | 1.40 | 5.82 | 19.71 | 5.26 | 1.44 | 4.87 | 1.30 |
| Machinery manufacturing | 6.18 | 3.30 | 8.43 | 4.06 | 1.03 | 2.64 | 1.27 |
| Computer and electronic product manufacturing | 27.83 | 1.24 | 2.79 | 1.80 | 0.36 | 0.80 | 0.52 |
| Transportation equipment manufacturing | 25.88 | 0.34 | 1.02 | 0.62 | 0.10 | 0.32 | 0.19 |
| Wholesale and retail trade | 19.56 | 2.58 | 8.33 | 1.68 | 0.85 | 2.73 | 0.55 |
| Wholesale trade | 20.10 | 2.57 | 8.44 | 1.69 | 0.84 | 2.76 | 0.55 |
| Wholesale trade, durable goods | 16.97 | 1.57 | 5.46 | 1.00 | 0.53 | 1.85 | 0.34 |
| Wholesale trade, nondurable goods | 22.02 | 4.39 | 13.07 | 3.06 | 1.40 | 4.17 | 0.98 |
| Retail trade | 15.77 | 2.64 | 7.66 | 1.57 | 0.90 | 2.60 | 0.53 |
| Food, beverage and liquor stores | 1.01 | 4.53 | 13.82 | 2.13 | 1.57 | 4.79 | 0.74 |
| Transportation and warehousing | 16.54 | 1.22 | 4.58 | 1.32 | 0.41 | 1.55 | 0.45 |
| Information | 44.45 | 1.36 | 3.48 | 3.77 | 0.42 | 1.08 | 1.17 |
| Finance and insurance | 35.69 | 0.29 | 3.36 | 2.84 | 0.09 | 1.06 | 0.89 |
| Securities, commodity contracts, and other financial investments and related activities | 4.56 | 0.14 | 4.32 | 2.42 | 0.05 | 1.44 | 0.80 |
| Insurance carriers and related activities | 51.39 | 0.47 | 2.86 | 2.75 | 0.14 | 0.87 | 0.83 |
| Professional, scientific, and technical services | 17.71 | 3.20 | 7.71 | 5.91 | 1.02 | 2.45 | 1.88 |
| Management of companies (holding companies) | 3.99 | 0.54 | 5.73 | 7.11 | 0.13 | 1.40 | 1.74 |
| DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED | | | | | | | |
| All industries | 7.43 | 1.65 | 8.05 | 5.22 | 0.36 | 1.77 | 1.15 |
| Mining | 6.90 | 5.61 | 13.42 | 11.26 | 1.08 | 2.58 | 2.17 |
| Utilities | 15.72 | 1.13 | 4.70 | 2.19 | 0.36 | 1.50 | 0.70 |
| Manufacturing | 4.09 | 5.06 | 15.24 | 7.13 | 0.75 | 2.26 | 1.06 |
| Food manufacturing | 2.76 | 2.45 | 9.58 | 4.51 | 0.60 | 2.33 | 1.10 |
| Petroleum and coal products manufacturing | 0.50 | 9.71 | 18.33 | 7.75 | 0.68 | 1.28 | 0.54 |
| Chemical manufacturing | 5.62 | 5.06 | 12.87 | 10.65 | 0.76 | 1.92 | 1.59 |
| Primary metal manufacturing | 4.82 | 4.82 | 12.07 | 6.03 | 1.45 | 3.62 | 1.81 |
| Machinery manufacturing | 2.14 | 6.70 | 22.85 | 8.44 | 1.37 | 4.68 | 1.73 |
| Computer and electronic product manufacturing | 11.78 | 6.06 | 13.38 | 9.25 | 1.10 | 2.43 | 1.68 |
| Transportation equipment manufacturing | 4.46 | 2.40 | 49.03 | 3.15 | 0.62 | 12.67 | 0.81 |
| Wholesale and retail trade | 3.62 | 5.14 | 12.50 | 3.22 | 1.62 | 3.93 | 1.01 |
| Wholesale trade | 3.92 | 4.37 | 9.10 | 3.18 | 1.34 | 2.79 | 0.98 |
| Wholesale trade, durable goods | 4.14 | 5.98 | 15.15 | 3.48 | 1.93 | 4.89 | 1.12 |
| Wholesale trade, nondurable goods | 3.84 | 3.95 | 7.85 | 3.08 | 1.19 | 2.36 | 0.92 |
| Retail trade | 3.40 | 5.86 | 16.87 | 3.24 | 1.88 | 5.40 | 1.04 |
| Food, beverage and liquor stores | 1.86 | 4.14 | 13.93 | 1.57 | 1.39 | 4.69 | 0.53 |
| Transportation and warehousing | 3.04 | 2.96 | 12.34 | 3.36 | 0.95 | 3.94 | 1.07 |
| Information | 23.53 | 2.98 | 8.88 | 6.92 | 0.76 | 2.26 | 1.76 |
| Finance and insurance | 9.04 | 0.58 | 4.37 | 3.70 | 0.18 | 1.36 | 1.16 |
| Securities, commodity contracts, and other financial investments and related activities | 1.75 | 0.28 | 2.37 | 5.29 | 0.09 | 0.75 | 1.67 |
| Insurance carriers and related activities | 14.24 | 0.84 | 4.30 | 3.03 | 0.26 | 1.31 | 0.92 |
| Professional, scientific, and technical services | 21.81 | 3.31 | 9.80 | 3.71 | 0.98 | 2.89 | 1.09 |
| Management of companies (holding companies) | 9.05 | 0.35 | 2.13 | 6.67 | 0.09 | 0.53 | 1.64 |

[1] Excludes nontaxable interest received on State and local government obligations, which totaled \$30.1 billion for "old, large" domestic corporations not foreign-controlled, and \$1.6 billion for "old, large" foreign-controlled domestic corporations.

NOTES: "Old" corporations are those with dates of incorporation prior to 2006, or with unknown dates of incorporation. "Large" corporations are those with total assets of \$250 million. 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.