

# Foreign-Controlled Domestic Corporations, 2009

by James R. Hobbs

**F**or Tax Year 2009, there were 66,197 U.S. domestic corporations that were each controlled by foreign “persons,” according to information reported on corporation income tax returns filed with the Internal Revenue Service (IRS). For tax reporting purposes, a “person” is an entity, including an individual, corporation, partnership, estate, or trust. “Foreign-controlled domestic corporation” (FCDC) returns were relatively few in number, just 1.1 percent of the total U.S. corporation income tax returns filed with IRS for 2009. However, FCDCs generated \$3.5 trillion of total receipts with \$10.5 trillion of total assets, and accounted for 14.2 percent of the receipts and 13.8 percent of the assets reported on all U.S. corporation income tax returns.<sup>1</sup>

The total receipts of foreign-controlled domestic corporations substantially declined, by 19.4 percent, between Tax Years 2008 and 2009. While receipts reported by all corporations also decreased over the same period, by 13.4 percent, the percentage drop in FCDC receipts was larger. As a result, the percentage of all corporate receipts attributable to FCDCs dropped from 15.3 percent in TY 2008 to 14.2 percent in TY 2009. This was the first time this percentage decreased since TY 2003.

Total profits (i.e., “net income (less deficit)”) reported by all foreign-controlled domestic corporations for tax purposes under the Internal Revenue Code were \$36.4 billion for TY 2009, which amounted to 4.0 percent of the profits reported by all U.S. corporations that year. These profits represented just 1.0 percent of overall FCDC receipts. Placed in context, the profits reported on all corporation income tax returns were \$919.0 billion and represented 3.7 percent of total corporation receipts.<sup>2</sup>

Of the 66,197 FCDCs, 25,158 reported positive profits for TY 2009, totaling \$152.7 billion. After additional deductions, these profitable companies reported \$105.2 billion of taxable income (i.e., “income subject to tax”). The total U.S. tax liability (i.e., “total income tax after

credits”) of FCDCs was composed almost entirely of income tax from these profitable companies, and was \$28.3 billion for 2009, 26.1 percent less than that of the prior year. (For more information, see “Total income tax before and after credits” in the Explanation of Selected Terms section.) In comparison, the \$205.0 billion of tax liability reported on all corporation income tax returns for 2009 was 10.3 percent less than that for 2008.

For TY 2009, there were 4,083 “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: 93.8 percent of total assets; 94.4 percent of total receipts; 87.1 percent of positive profits; 93.4 percent of taxable income; and 92.3 percent of total income tax after credits. Following an overview of all FCDCs, this article focuses on these large foreign-controlled domestic corporations. In addition, it includes a comparison of established or “old” FCDCs to similar “old and large” domestically controlled corporations (i.e., those not controlled by foreign persons). “Old” corporations are those with dates of incorporation prior to 2007 or with unknown dates of incorporation, as distinct from “new” corporations with incorporation dates of 2007 or later.

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 2009. Tables 2, 3, and 4 concentrate on Tax Year 2009 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

*James R. Hobbs is a management official with the Special Studies Branch. This article was prepared under the direction of Barry W. Johnson, Chief.*

<sup>1</sup> For additional 2009 statistics covering foreign-controlled domestic corporations (FCDCs), see Tables 24 and 25 of *Statistics of Income—2009, Corporation Income Tax Returns*, IRS Publication 16, April 2012. Statistics for tax years prior to 2009 are available in earlier editions of Publication 16. Additionally, for 2008 statistics covering FCDCs, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2008,” *Statistics of Income Bulletin*, Summer 2011, Volume 31, Number 1. FCDC data are also included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Foreign-Controlled Domestic Corporations.

<sup>2</sup> 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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

domestic (i.e., United States) company or in a company that operates in the United States as a branch of a foreign corporation.<sup>3,4</sup> This article focuses on domestic corporations that are “controlled” by foreign persons. For the foreign-controlled domestic corporations covered in this article, control is defined as ownership by one foreign person, directly or indirectly, of 50 percent or more of the U.S. corporation’s voting stock, or of 50 percent or more of the value of all of the corporation’s stock, at any time during the accounting period.<sup>5,6</sup> (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 a less than 50 percent interest in a domestic company, exerts no control over the management of the domestic corporation, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. A foreign portfolio investor is primarily seeking dividend payments, an increase in the value of the shares of stock, or both. The Statistics of Income program does not conduct studies covering foreign portfolio investors of domestic corporations.

Foreign-controlled domestic corporations report tax information on: (1) Form 1120, *U.S. Corporation Income Tax Return*; (2) Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; (3) Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; (4) Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and (5) Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*. The FCDC statistics shown in this article

include all of these return types (unless otherwise stated). Data for all corporation income tax returns discussed in this article include (unless otherwise stated) the five form types listed above, plus two types filed by domestic corporations: Form 1120-A, *U.S. Corporation Short-Form Income Tax Return*, and Form 1120S, *U.S. Income Tax Return for an S Corporation*. Also included in the corporate total is Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*, for foreign corporations with income effectively connected with a U.S. trade or business. All of these form types are included in the Statistics of Income Corporate Study, from which FCDC statistics are derived.<sup>7</sup> However, FCDCs cannot file Forms 1120-A, 1120-F, or 1120S.

## Foreign-Controlled Domestic Corporations

### Growth of Corporations

The estimated numbers of returns filed by FCDCs have remained rather constant during the 10-year period of Tax Years 2000-2009. There were 60,609 returns of foreign-controlled domestic corporations for 2000 and 66,197 for 2009, a 9.2-percent increase. During this same time period, the total number of U.S. corporation income tax returns grew by 15.4 percent, from 5.0 million to 5.8 million. FCDCs generally comprised a slowly decreasing percentage of those returns, from 1.2 percent for 2000 down to 1.1 percent for 2009. 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 2000, 1120S returns comprised 56.7 percent of all corporation returns (2.9 million of the total 5.0 million returns); for 2009, they comprised 70.3 percent of all returns (4.1 million of the total 5.8 million

<sup>3</sup> 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.”

<sup>4</sup> 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—2009, Corporation Income Tax Returns*, IRS Publication 16. Statistics for tax years prior to 2009 are available in earlier editions of Publication 16 and on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Foreign Corporations with U.S. Business Operations.

<sup>5</sup> 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 2009, there were only 4,357 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$215.2 billion of assets, \$122.4 billion of receipts, \$4.9 billion of taxable income, and \$1.5 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.

<sup>6</sup> 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.

<sup>7</sup> 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), certain political organizations (Form 1120-POL), exempt farmers’ cooperatives (Form 1120-C), and nonprofit corporations. 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—2009, 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, mutual savings banks, cooperative banks, and business trusts). These organizations possess characteristics typical of the corporate form, such as continuity of life, limited liability of owners, and transferability of shares of capital ownership. They filed Forms 1120 and were included in the SOI corporation sample.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

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 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 2009, there were 6,000 consolidated returns filed by FCDCs, 9.1 percent of all FCDC returns. These returns accounted for the majority of economic activity reported by all FCDCs. Specifically, they

accounted for \$9.2 trillion of assets (88.1 percent of the total for all FCDCs), \$3.0 trillion of receipts (85.8 percent of the total), \$32.1 billion of profits (88.1 percent of the total), \$87.0 billion of taxable income (82.7 percent of the total), and \$23.1 billion of total income tax after credits (81.9 percent of the total).

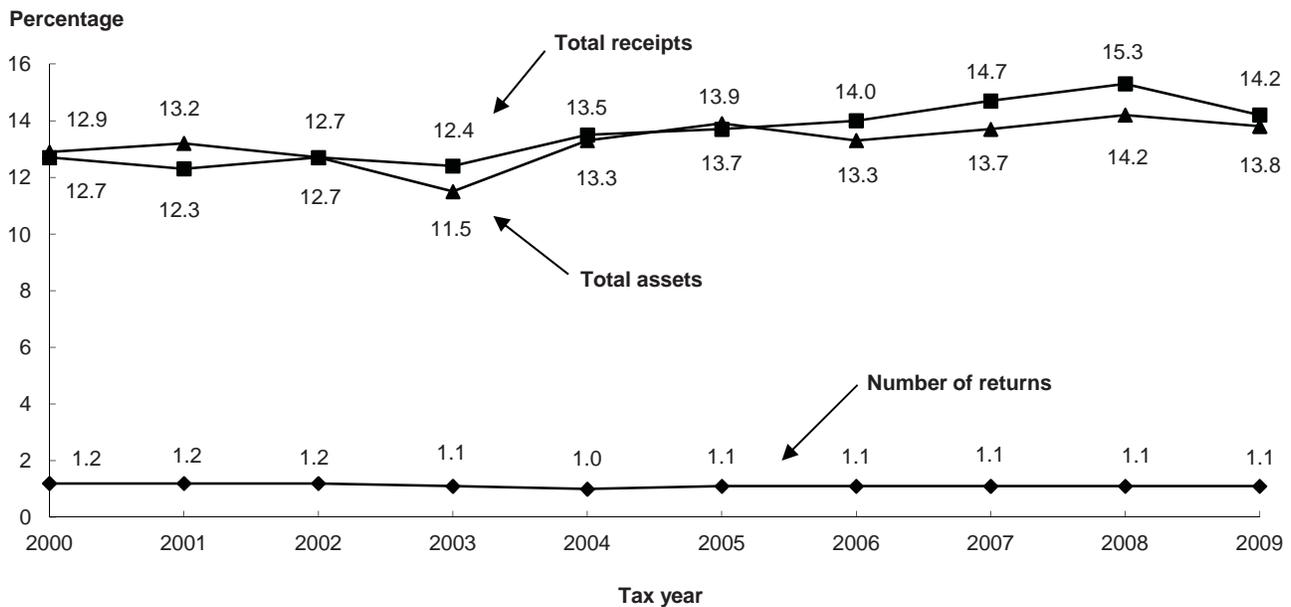
To the extent that FCDCs filed consolidated income tax returns, the data included in this article actually represent more corporations than the stated number of returns. The study, however, did not tabulate the number of subsidiary corporations included in the consolidated returns.

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.<sup>8</sup> In particular, the share of both total U.S. corporate assets and receipts accounted for by FCDCs increased between 2000 and 2009. This is correct, even despite the decrease in shares of assets and receipts from 2008 to 2009.

The assets of domestic corporations controlled by foreign persons increased by 72.3 percent between 2000

**Figure A**

## Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 2000–2009



<sup>8</sup> 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](http://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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

and 2009, as compared to the 61.5-percent increase for the assets reported on all U.S. corporation income tax returns.<sup>9</sup> As a result of these changes, the percentage of total corporate assets accounted for by FCDCs increased from 12.9 percent for 2000 to 13.8 percent for 2009 (Figure A). For 2008, the percentage reached a high of 14.2 percent.

Total receipts of FCDCs increased by 34.7 percent between 2000 and 2009, as compared to the increase of 20.2 percent for all corporations. As a result, the share of the receipts reported on all corporate returns attributed to FCDCs increased from 12.7 percent for 2000 to 14.2 percent for 2009. For 2008, the percentage reached a high of 15.3 percent.

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 (Table 1).

## Industry Characteristics

For 2009, 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, 44,750 of the 66,197 (more than two-thirds of the total) had primary business activities in one of the following four industrial sectors: (1) wholesale trade (16,168); (2) real estate and rental and leasing (12,654); (3) professional, scientific, and technical services (8,567); and (4) manufacturing (7,361). By comparison, relatively few FCDCs were primarily involved in educational services (267), health care and social assistance (209), and utilities (206). The Data Sources and Limitations section discusses how returns were classified by industry.<sup>10</sup>

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 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 \$1.40 of receipts for each dollar of end-of-year assets for 2009. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDCs produced only \$.06 of receipts for each dollar of end-of-year assets. (See Table 2.)

Corporations classified as wholesalers accounted for 23.8 percent of the receipts for all FCDCs, a significant percentage, as is the 24.4 percent of the total FCDC returns they comprised. However, these companies reported only 5.7 percent of the total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.7 percent of the assets and 0.7 percent of the receipts of all FCDCs. These percentages were both substantially less than the 19.1 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 3.0 percent of the receipts of all FCDCs. Both of these percentages are significantly lower than the portion (12.9 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 \$12.3 million, respectively.

Manufacturing corporations filed 11.1 percent of the FCDC returns for 2009. These capital-intensive, goods-producing companies accounted for far greater percentages of the total FCDC assets (22.7 percent) and receipts (42.1 percent). These corporations were often large, with reported average amounts of assets and receipts of \$322.4 million and \$201.4 million, respectively.

Two additional sectors warrant discussion. While corporations classified in the finance and insurance industrial sector composed only 5.3 percent of the total returns filed by FCDCs for 2009, they accounted for the largest share (48.1 percent) of the total assets reported for any of the industrial sectors. Additionally, finance and

<sup>9</sup> The percentage changes in the assets between 2000 and 2009 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.

<sup>10</sup> Statistics classified by industry do have certain limitations. For example, FCDCs accounted for 24.5 percent and 22.8 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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure B**

## Foreign-Controlled Domestic Corporations: Selected Items, by Industrial Sector, Tax Year 2009

[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)
<b>All industries</b>	<b>66,197</b>	<b>100.0</b>	<b>10,461,430</b>	<b>100.0</b>	<b>3,518,194</b>	<b>100.0</b>
Agriculture, forestry, fishing, and hunting	867	1.3	6,369	0.1	3,591	0.1
Mining	844	1.3	215,186	2.1	76,547	2.2
Utilities	206	0.3	134,971	1.3	55,237	1.6
Construction	1,668	2.5	45,493	0.4	44,367	1.3
Manufacturing	7,361	11.1	2,373,298	22.7	1,482,748	42.1
Wholesale and retail trade	20,206	30.5	679,645	6.5	963,444	27.4
Wholesale trade	16,168	24.4	599,402	5.7	837,508	23.8
Retail trade	4,038	6.1	80,243	0.8	125,936	3.6
Transportation and warehousing	1,539	2.3	73,394	0.7	55,878	1.6
Information	2,270	3.4	290,043	2.8	109,075	3.1
Finance and insurance	3,535	5.3	5,028,452	48.1	429,052	12.2
Real estate and rental and leasing	12,654	19.1	178,515	1.7	23,011	0.7
Professional, scientific, and technical services	8,567	12.9	187,433	1.8	105,021	3.0
Management of companies (holding companies)	2,684	4.1	1,094,778	10.5	73,114	2.1
Administrative and support and waste management and remediation services	1,168	1.8	58,708	0.6	43,598	1.2
Educational services	267	0.4	4,181	[1]	1,466	[1]
Health care and social assistance	209	0.3	28,560	0.3	12,967	0.4
Arts, entertainment, and recreation	990	1.5	9,025	0.1	4,873	0.1
Accommodation and food services	795	1.2	46,600	0.4	27,630	0.8
Other services	358	0.5	6,779	0.1	6,576	0.2
Nature of business not allocable	* 9	* [1]	* 0	* 0.0	* 0	* 0.0

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

[1] Less than 0.05 percent.

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

insurance companies accounted for 12.2 percent of the total FCDC receipts.

Management (or holding) companies contributed a significant portion (10.5 percent) of the FCDC total assets. However, this sector accounted for smaller portions of both the number of returns (4.1 percent) filed by FCDCs and the receipts (2.1 percent) reported by them.

While foreign-controlled domestic corporations accounted for 14.2 percent of the \$24.8 trillion of total receipts reported by all corporations filing U.S. income tax returns for 2009, these companies played disproportionately larger roles in certain industrial sectors. For instance, FCDCs produced substantial portions of the total receipts reported for wholesale trade (24.5 percent), manufacturing (22.8 percent), and mining (21.5 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 educational services (2.6 percent), agriculture,

forestry, fishing, and hunting (2.3 percent), and health care and social assistance (1.9 percent). (See Figure C.)

FCDC industrial data at the sector level can be decomposed into more specific industrial classifications for analysis purposes. In general, sectors are composed of major groups, which in turn are composed of minor industries. For 2009, FCDCs in 19 minor industries each reported more than \$40 billion of total receipts. These 19 industries produced 56.4 percent of the receipts for all FCDCs. (See Figure D.) The largest minor industry was petroleum manufacturing refineries with \$414 billion of receipts. FCDCs in this minor industry accounted for 11.8 percent of the receipts of FCDCs in all industries, and for 28.2 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

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure C**

## Total Receipts of All Corporations and Foreign-Controlled Domestic Corporations, by Industrial Sector, Tax Year 2009

[Money amounts are in millions of dollars]

Industrial sector	Total receipts		
	All corporations	Foreign-controlled domestic corporations	Percentage
	(1)	(2)	(3)
<b>All industries [1]</b>	<b>24,772,531</b>	<b>3,518,194</b>	<b>14.2</b>
Agriculture, forestry, fishing, and hunting	157,204	3,591	2.3
Mining	355,442	76,547	21.5
Utilities	605,048	55,237	9.1
Construction	1,175,202	44,367	3.8
Manufacturing	6,513,316	1,482,748	22.8
Wholesale and retail trade	6,691,719	963,444	14.4
Wholesale trade	3,424,412	837,508	24.5
Retail trade	3,267,307	125,936	3.9
Transportation and warehousing	678,636	55,878	8.2
Information	1,047,034	109,075	10.4
Finance and insurance	3,379,017	429,052	12.7
Real estate and rental and leasing	301,665	23,011	7.6
Professional, scientific, and technical services	1,059,371	105,021	9.9
Management of companies (holding companies)	913,394	73,114	8.0
Administrative and support and waste management and remediation services	441,832	43,598	9.9
Educational services	57,226	1,466	2.6
Health care and social assistance	667,441	12,967	1.9
Arts, entertainment, and recreation	94,615	4,873	5.2
Accommodation and food services	444,256	27,630	6.2
Other services	190,099	6,576	3.5

[1] Includes small amounts for "Nature of business not allocable," which is not shown separately.

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

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, may also be the owner of a U.S. subsidiary corporation. Because a foreign corporation in the chain of related companies, which directly owns the stock of a U.S. subsidiary, may be located in a country different from that of the ultimate owner, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.)

For 2009, residents of 42 countries accounted for nearly 9 of every 10 domestic corporations classified as 50-percent-or-more controlled by a foreign person. The 58,842 corporations controlled by persons resident in the

42 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.4 percent of total assets, 98.9 percent of total receipts, 99.2 percent of taxable income, and 99.0 percent of total income tax after credits.

From among these 42 countries, domestic corporations controlled by persons from just 7 countries produced 76.2 percent of the total receipts of all FCDCs. These top seven countries, in decreasing size of receipts, are the United Kingdom, Japan, Germany, Canada, the Netherlands, Switzerland, and France.

Domestic corporations controlled by persons resident in the United Kingdom reported total receipts of \$0.7 trillion for 2009, an amount larger than that for any other country. These receipts represented 20.7 percent of the total for all FCDCs. As shown in Figure E, the United Kingdom's share of 2009 FCDC receipts is substantially larger (20.7 percent) than its share of 2000 FCDC receipts (i.e., 14.0 percent).

For 2009, domestic corporations with owners resident in Japan (\$533 billion), Germany (\$354 billion),

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure D**

## Foreign-Controlled Domestic Corporations: Selected Items for the Largest Minor Industries, Tax Year 2009

[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)
<b>Selected minor industries, total</b>	<b>15,919</b>	<b>6,131,898</b>	<b>1,984,286</b>	<b>23,607</b>	<b>65,776</b>	<b>49,289</b>	<b>13,484</b>	<b>0.7</b>
<b>Percentage of all industries</b>	<b>24.0</b>	<b>58.6</b>	<b>56.4</b>	<b>64.8</b>	<b>43.1</b>	<b>46.9</b>	<b>47.7</b>	<b>N/A</b>
<b>SELECTED MINOR INDUSTRIES</b>								
Petroleum refineries, including integrated (manufacturers)	50	578,080	413,790	5,624	7,108	7,095	544	0.1
Stock life insurance companies	59	1,375,724	217,996	-519	5,028	3,907	1,283	0.6
Motor vehicles and parts (manufacturers)	766	360,350	180,170	-3,150	1,755	1,546	435	0.2
Electrical and electronic goods (wholesalers)	1,825	97,953	154,816	1,283	2,145	1,017	318	0.2
Motor vehicles and motor vehicle parts and supplies (wholesalers)	861	114,751	137,509	-4,445	522	440	151	0.1
Petroleum and petroleum products (wholesalers)	60	56,722	118,315	912	1,602	1,531	516	0.4
Pharmaceutical and medicine (manufacturers)	120	208,913	106,752	12,878	13,353	11,871	3,602	3.4
Professional and commercial equipment and supplies (wholesalers)	2,408	46,928	67,695	433	1,207	1,047	316	0.5
Offices of bank holding companies	31	1,000,874	66,395	-9,881	48	406	22	[1]
Food and beverage stores (retailers)	139	30,471	61,527	971	1,355	1,093	360	0.6
Securities brokerage	335	1,369,691	60,803	5,921	7,152	1,780	600	1.0
Furniture, sports, toys, recycle, jewelry and other durable goods (wholesalers)	2,687	30,182	59,922	386	1,310	1,174	397	0.7
Stock property and casualty insurance companies	134	407,660	54,074	-649	4,362	3,000	913	1.7
Machinery, equipment, and supplies (wholesalers)	2,544	41,643	53,155	-356	882	776	251	0.5
Basic chemicals (manufacturers)	68	83,247	49,292	78	1,898	1,045	317	0.6
Medical equipment and supplies (manufacturers)	445	68,884	48,149	2,826	3,176	2,783	816	1.7
Drugs and druggists' sundries (wholesalers)	239	63,217	47,538	6,034	6,199	4,971	1,449	3.0
Telecommunications, including paging, cellular, satellite, cable and internet service providers	249	149,282	45,120	3,718	4,238	2,151	727	1.6
Computer systems design and related services	2,899	47,326	41,268	1,543	2,436	1,656	467	1.1

N/A—Not applicable.

[1] Less than 0.05 percent.

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

Canada (\$313 billion), the Netherlands (\$280 billion), Switzerland (\$236 billion), and France (\$235 billion) also accounted for significant amounts of receipts. Of these six countries, Japan's portion of total receipts decreased significantly between 2000 and 2009 (from 20.3 percent to 15.1 percent), as did the portions for Germany (12.8 percent down to 10.1 percent) and the Netherlands (12.7 percent down to 8.0 percent). Figure E shows that the portion of FCDC total receipts accounted for by countries other than the largest seven increased in size over the 10-year period, from 19.1 percent to 23.8 percent. For 2009, the countries with the largest receipts included in this "other" grouping were: South Korea (\$78 billion),

Australia (\$49 billion), Sweden (\$49 billion), Ireland (\$48 billion), Belgium (\$45 billion), Bermuda (\$43 billion), and Luxembourg (\$41 billion).

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$2.4 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in Canada (\$1.3 trillion), Germany (\$1.2 trillion), Switzerland (\$1.1 trillion), France (\$1.1 trillion), the Netherlands (\$1.0 trillion), and Japan (\$0.9 trillion) also accounted for significant amounts of assets.

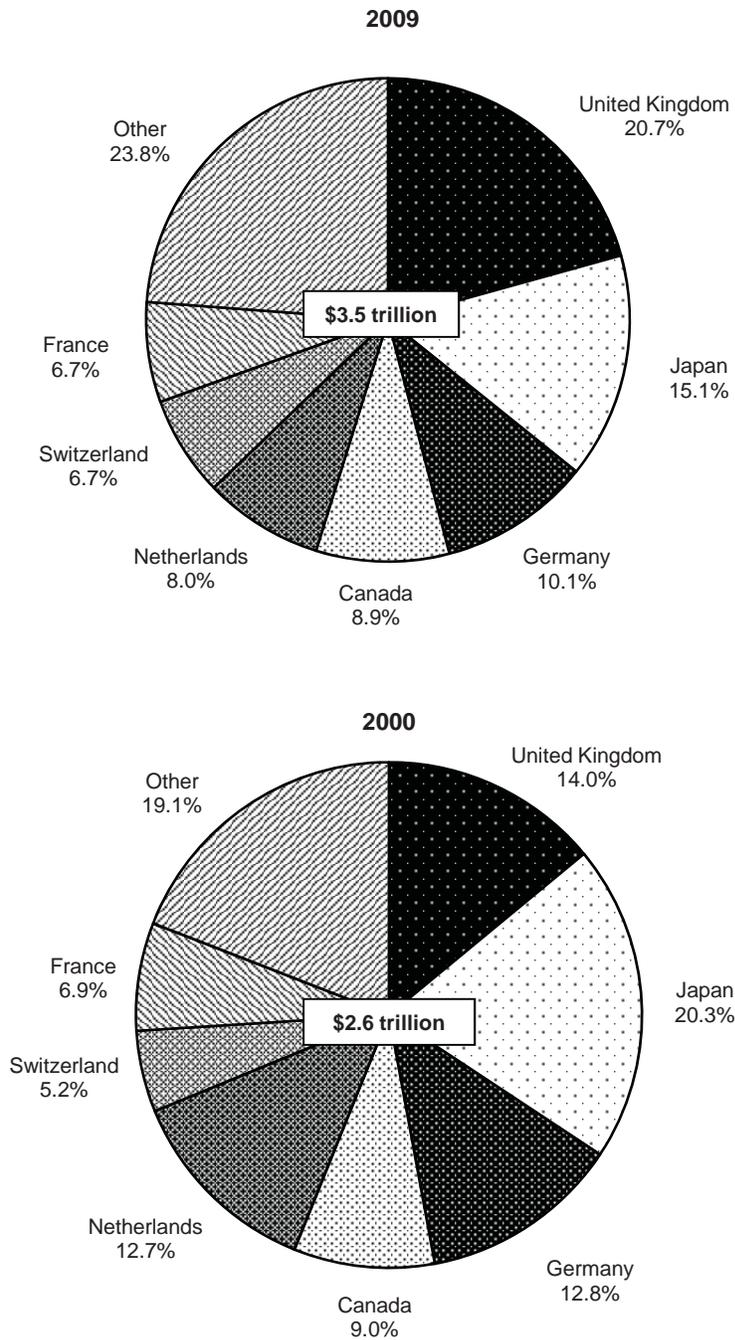
Although U.K.-controlled domestic corporations accounted for the largest part of the total FCDC receipts

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure E**

**Foreign-Controlled Domestic Corporations: Distribution of Total Receipts by Country of Foreign Owner, Tax Years 2000 and 2009**



NOTE: All amounts are in current dollars.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

and assets for 2009, the United Kingdom was not responsible for the largest number of returns filed for FCDCs. Canadian-controlled domestic corporations filed the most returns, 9,799. Japanese-controlled domestic corporations were second with 6,072 returns, followed by U.K.-controlled domestic corporations with 5,553 returns and German-controlled domestic corporations with 3,861 returns.

For 2009, the U.S. tax liability of all FCDCs was \$28.3 billion, or 0.8 percent of the \$3.5 trillion of receipts reported by all FCDCs. U.K.-controlled domestic corporations reported the largest amount of U.S. tax liability (\$4.8 billion). Swiss-controlled corporations, with \$4.2 billion of tax liability, and Japanese-controlled corporations, with \$3.7 billion of tax liability, followed. For the U.K.-controlled corporations, tax liabilities were 0.7 percent of their \$729 billion of receipts. Tax liabilities as a percent of receipts were higher at 1.8 percent for Swiss-controlled corporations, while Japanese-controlled corporations paid 0.7 percent of their receipts in U.S. income taxes. Many factors, including differences in industrial apportionments and age apportionments (discussed later in this article), may have caused the resulting differences among 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 60.8 percent of its total \$729 billion of receipts. More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group, accounting for \$336 billion, or 46.1 percent of the country total.

Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$533 billion of receipts: wholesale trade (52.9 percent of the total) and manufacturing (35.4 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 42.0 percent of the total receipts for this country. The second largest major industrial group was transportation equipment manufacturing with 21.0 percent of the receipts.

Like those in the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 47.6 percent of the \$354 billion of receipts for that country coming from corporations in this industrial sector. Within this sector, chemical manufacturers (13.5 percent of the country total) and transportation equipment manufacturers (13.2 percent) produced the most receipts. Wholesale trade (17.5 percent of the country total) and finance and insurance (13.4 percent) were the other predominant industrial sectors.

Canadian-controlled corporations were primarily concentrated in manufacturing, which accounted for 28.4 percent of the \$313 billion of receipts for that country. This sector was followed by finance and insurance (23.6 percent) and wholesale trade (17.2 percent). More specifically, insurance carriers reported 19.7 percent of the total receipts.

For the Netherlands, finance and insurance was the largest industrial sector with 31.8 percent of the total receipts (\$280 billion). The Netherlands was the only country of the top seven in which finance and insurance was the leading industrial sector in producing receipts. This sector was followed by manufacturing (27.9 percent), wholesale trade (12.7 percent), and retail trade (11.2 percent). Insurance carriers reported 27.8 percent of the total receipts for this country, the largest portion for any major industrial group.

For Switzerland, 38.4 percent of the \$236 billion of receipts came from the manufacturing sector, followed by wholesale trade with 28.8 percent and finance and insurance with 24.2 percent. More specifically, wholesalers of nondurable goods (24.9 percent of the country total) were the leading major industry. Other important major industries were chemical manufacturers (17.3 percent), insurance carriers (12.5 percent), businesses that handled securities and commodity contracts and other financial investments (11.5 percent), and food manufacturers (10.3 percent).

For France, manufacturers produced 43.7 percent of the \$235 billion of receipts for this country. This was followed by finance and insurance (19.9 percent) and wholesale trade (14.3 percent). More specifically, petroleum and coal products manufacturers, insurance carriers, and durable goods wholesalers produced 10.7 percent, 10.1 percent, and 10.0 percent, respectively, of the receipts for the country.

## 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 2007 or after,

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure F**

## Foreign-Controlled Domestic Corporations: Selected Items for Selected Countries and Selected Industries, Tax Year 2009

[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)
<b>United Kingdom, total</b>	<b>5,553</b>	<b>2,350,826</b>	<b>728,506</b>	<b>9,040</b>	<b>24,001</b>	<b>21,107</b>	<b>4,813</b>	<b>0.7</b>
Manufacturing	455	733,284	442,758	11,394	13,118	12,438	2,165	0.5
Petroleum and coal products manufacturing	3	527,964	335,896	6,390	6,888	6,876	439	0.1
<b>Japan, total</b>	<b>6,072</b>	<b>870,546</b>	<b>532,761</b>	<b>5,233</b>	<b>15,586</b>	<b>12,174</b>	<b>3,670</b>	<b>0.7</b>
Manufacturing	1,337	207,932	188,560	346	3,994	3,047	885	0.5
Transportation equipment manufacturing	239	129,138	112,020	-215	1,568	1,413	408	0.4
Wholesale trade	1,401	195,002	282,017	2,976	6,739	5,227	1,674	0.6
Wholesale trade, durable goods	1,170	140,803	223,631	-851	2,609	2,123	676	0.3
Wholesale trade, nondurable goods	229	54,143	58,375	3,821	4,124	3,101	997	1.7
<b>Germany, total</b>	<b>3,861</b>	<b>1,177,929</b>	<b>354,193</b>	<b>5,002</b>	<b>16,431</b>	<b>7,755</b>	<b>2,397</b>	<b>0.7</b>
Manufacturing	742	375,286	168,672	-629	3,688	2,728	759	0.4
Chemical manufacturing	53	67,991	47,655	342	967	274	80	0.2
Transportation equipment manufacturing	70	197,141	46,832	-1,783	63	42	14	[1]
Miscellaneous manufacturing	31	40,930	37,400	1,421	1,514	1,399	365	1.0
Wholesale trade	1,257	81,615	61,867	-2,019	804	733	234	0.4
Wholesale trade, durable goods	942	74,453	50,160	-1,883	459	422	139	0.3
Finance and insurance	105	577,285	47,466	7,990	8,031	2,421	779	1.6
<b>Canada, total</b>	<b>9,799</b>	<b>1,270,686</b>	<b>312,798</b>	<b>1,925</b>	<b>14,512</b>	<b>7,289</b>	<b>2,215</b>	<b>0.7</b>
Manufacturing	1,240	94,280	88,708	1,503	3,497	2,398	789	0.9
Wholesale trade	1,684	51,176	53,720	562	1,465	1,270	411	0.8
Finance and insurance	361	733,544	73,887	2,561	5,895	1,015	282	0.4
Insurance carriers and related activities	41	461,203	61,556	-1,654	734	467	116	0.2
<b>Netherlands, total</b>	<b>1,645</b>	<b>984,305</b>	<b>280,091</b>	<b>3,535</b>	<b>12,388</b>	<b>10,360</b>	<b>2,402</b>	<b>0.9</b>
Manufacturing	229	181,532	78,088	5,960	7,847	7,633	1,626	2.1
Wholesale trade	662	21,540	35,699	388	663	481	160	0.4
Retail trade	22	16,779	31,478	310	324	36	12	[1]
Finance and insurance	178	656,496	89,072	-2,632	2,000	1,065	283	0.3
Insurance carriers and related activities	13	435,158	77,902	-1,181	691	717	163	0.2
<b>Switzerland, total</b>	<b>1,345</b>	<b>1,131,194</b>	<b>236,000</b>	<b>16,371</b>	<b>20,204</b>	<b>13,012</b>	<b>4,163</b>	<b>1.8</b>
Manufacturing	194	128,488	90,684	7,152	8,266	7,540	2,350	2.6
Food manufacturing	6	31,850	24,323	1,068	1,155	1,155	399	1.6
Chemical manufacturing	41	57,323	40,723	5,926	5,956	5,507	1,685	4.1
Wholesale trade	324	22,537	67,864	926	1,244	1,136	370	0.5
Wholesale trade, nondurable goods	37	15,307	58,681	1,032	1,087	1,029	334	0.6
Finance and insurance	57	940,746	57,111	7,567	9,228	2,983	1,067	1.9
Securities, commodity contracts, and other financial investments and related activities	15	685,271	27,209	5,552	5,779	33	124	0.5
Insurance carriers and related activities	16	247,268	29,384	1,973	3,379	2,912	929	3.2
<b>France, total</b>	<b>2,586</b>	<b>1,070,090</b>	<b>234,797</b>	<b>11,080</b>	<b>16,683</b>	<b>11,085</b>	<b>3,039</b>	<b>1.3</b>
Manufacturing	218	175,048	102,623	1,626	4,000	3,671	1,028	1.0
Petroleum and coal products manufacturing	d	12,998	25,079	90	90	90	27	0.1
Wholesale trade	651	34,567	33,591	-198	577	483	150	0.4
Wholesale trade, durable goods	272	11,673	23,505	-127	112	84	26	0.1
Finance and insurance	142	681,339	46,639	4,875	6,051	1,678	656	1.4
Insurance carriers and related activities	23	195,993	23,645	30	353	160	167	0.7

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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

as reported on its income tax return. An “old” corporation is one incorporated in or prior to 2006, or with an unknown (i.e., unreported) date of incorporation.<sup>11</sup>

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 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 2009, there were 14,062 FCDCs incorporated in 2007 or later. Professional, scientific, and technical services accounted for the largest portion of these “new” corporations with 2,790 companies, followed by real estate with 1,967 companies and wholesalers of nondurable goods with 1,642 companies.

More than three out of every four foreign-controlled domestic corporations were incorporated prior to 2007, 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 92.4 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 2009, old corporations reported \$40.1 billion of net profits on \$3.3 trillion of receipts, while new corporations reported \$3.7 billion of net losses on \$0.3 trillion of receipts. Thus, net profits (i.e., net income less deficit) as a percentage of total receipts were 1.2 percent for old corporations, versus -1.4 percent for new corporations.

Old corporations accounted for 91.4 percent of the positive profits (i.e., net income) of all FCDCs. As a result, old corporations also accounted for most of U.S. taxable income (91.7 percent) and U.S. tax liabilities after credits (90.1 percent) of all FCDCs. The old corporations had \$25.5 billion of tax liabilities after credits, equaling 0.8 percent of their total receipts. The new corporations had \$2.8 billion of tax liabilities after credits, equaling 1.0 percent of their total receipts. Tax credits were claimed mostly by old corporations, 96.9 percent of the total \$9.5 billion of credits claimed by all FCDCs. Tax credits are discussed in more detail later in this article.

## 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.<sup>12</sup>

An FCDC that transacts business with a related foreign company must determine “transfer prices” for

<sup>11</sup> 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.

<sup>12</sup> 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.

## Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

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 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.

FCDCs produced substantially less total receipts for 2009 than for the previous year, dropping from \$4.4 trillion to \$3.5 trillion. This was a 19.4-percent decrease. To put this in perspective, the total receipts reported on all U.S. corporation income tax returns decreased by 13.4 percent between 2008 and 2009.

While the receipts of FCDCs declined for 2009, these companies also substantially reduced their costs as measured by total deductions, dropping by 19.9 percent, from \$4.4 trillion to \$3.5 trillion. The resulting difference between total receipts and total deductions actually increased for 2009 to \$30.5 billion, from \$15.5 billion for 2008.

More than 89 percent of the \$3.5 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of “business receipts” (i.e., receipts from sales and operations). These same companies reported \$3.5 trillion of total deductions. Cost of goods sold was more than 63 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 \$.75 of cost of goods sold for every dollar of business receipts, while the amount was \$.72

for all other corporations classified in this sector. Thus, FCDCs had smaller gross profits than other corporations, \$.25 compared to \$.28 for every dollar of business receipts. In wholesale trade, all FCDCs reported \$.83 of cost of goods sold for every dollar of business receipts. The amount was slightly less (\$.81) for all other corporations classified in this sector. As a result, FCDCs had smaller gross profits than other corporations, \$.17 and \$.19, respectively, for every dollar of business receipts.

Taxable interest received by FCDCs for Tax Year 2009 amounted to \$176 billion, 5.6 percent of their total receipts. Interest paid by FCDCs for that year amounted to \$152 billion, 4.3 percent of their total deductions. Complete income statement statistics of FCDCs are shown in Tables 24 and 25 of *Statistics of Income—2009, Corporation Income Tax Returns*, IRS Publication 16.

Total receipts less total deductions for FCDCs equaled \$30.5 billion for 2009. By comparison, net income (less deficit) amounted to \$36.4 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.<sup>13</sup> 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 2009, FCDCs reported \$7.9 billion of constructive taxable income and received \$2.0 billion of nontaxable interest on State and local government obligations.

Net income (less deficit) for foreign-controlled domestic corporations increased from \$21.8 billion for 2008 to \$36.4 billion for 2009. This was an increase of \$14.7 billion, or 67.4 percent. In comparison, net income (less deficit) reported on all corporation income tax

<sup>13</sup> 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)

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

returns decreased by 6.7 percent between 2008 and 2009, to \$919.0 billion.

The \$36.4 billion of total FCDC net income (less deficit) for 2009 were the result of 25,158 corporations collectively reporting \$152.7 billion of positive net income and 41,039 companies reporting \$116.3 billion of deficits.<sup>14</sup> Thus, slightly more than one out of every three (38.0 percent) domestic corporations with foreign owners reported a positive net income. In comparison, 54.1 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 2.6 percent for educational services to a high of 63.0 percent for transportation and warehousing. For the more predominant sectors of FCDCs, the percentages of profitable companies were 39.8 percent for manufacturing and 43.4 percent for wholesale trade.

The \$116.3 billion of deficits for 2009 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 2009 from 2010 and beyond, reported on Forms 1120X and 1139, are not included in the statistics shown in this article.<sup>15</sup> However, NOLs carried forward to Tax Year 2009 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.<sup>16</sup> 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 2009, the difference between the \$152.7 billion of positive net income and \$105.2 billion of taxable income was, for the most part, the result of statutory special deductions. The net

operating loss deduction was \$43.1 billion and accounted for 77.4 percent of the \$55.6 billion of total statutory special deductions. In calculating taxable income for 2009, FCDCs reduced their positive net incomes by 28.2 percent using NOLs carried over from prior years. NOLs of taxable years prior to 2009 could first be carried back 2 years to reduce the taxable income of those years. Any remaining amounts of NOLs not used to decrease taxable income of those years, could be carried forward to offset taxable income of up to 20 years, including the taxable income for 2009.

For 2009, foreign-controlled domestic corporations reported \$105.2 billion of taxable income. This was the base on which \$36.6 billion of income tax were computed. The \$37.8 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 \$1.1 billion, and the remaining taxes comprised a very small part of the total.

Tax credits totaling \$9.5 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations from \$37.8 billion to \$28.3 billion for 2009. The largest credits claimed were \$7.9 billion of foreign tax credits and \$1.4 billion of general business credits. The \$28.3 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 2009. 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 2009 was 28.3 percent, significantly less than the 31.3 percent for 2008. The amount of tax liability reported by FCDCs also decreased to \$28.3 billion for 2009 from \$38.2 billion for 2008, a 26.1-percent decrease.

<sup>14</sup> The 41,039 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

<sup>15</sup> 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*.

<sup>16</sup> There were certain exceptions to the relationship of positive net income minus statutory special deductions equaling taxable income. 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. S corporations were usually not taxable at the corporate level and, thus, did not have taxable income. Some, however, did have a limited tax liability on capital gains. The taxable income of life insurance companies was based on changes in reserve accounts. 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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

## 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 17,605 large domestic corporations for 2009. Of this total, foreign persons controlled 4,083 corporations, or 23.2 percent. This percentage is remarkably larger than the 1.1 percent that FCDCs accounted for of all corporations, regardless of size.

The 4,083 large foreign-controlled domestic corporations comprised just 6.2 percent of the number of income tax returns filed by FCDCs. However, these large companies accounted for the majority of the key FCDC financial items, reporting 93.8 percent of the total assets, 94.4 percent of the total receipts, 93.4 percent of the taxable income, and 92.3 percent of the total income tax after credits, of all FCDCs.

There were 13,522 large domestic corporations that did not have controlling foreign owners for 2009. 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 were more profitable than their smaller counterparts. For 2009, the largest FCDCs reported net profits of \$40.1 billion, 1.2 percent

of the companies' receipts. The smaller FCDCs reported net losses of \$3.7 billion, -1.9 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.<sup>17</sup> 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 2009, the largest FCDCs reported \$26.1 billion of U.S. tax liabilities, which was 0.8 percent of their total receipts. Column 3 of Figure G1 shows that 45.1 percent of largest FCDCs had no U.S. tax liabilities, 75.0 percent of these companies had tax liabilities of less than 1.0 percent of their receipts, and 92.8 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 \$162.1 billion of U.S. tax liabilities, 1.2 percent of their total receipts. For these companies, 37.8 percent had no tax liabilities, 69.2 percent had tax liabilities of less than 1.0 percent of their receipts, and 89.6 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 2009, large FCDCs claimed \$9.4 billion of credits, equaling 26.4 percent of their income tax liabilities before credits. Other large domestic corporations claimed \$98.2 billion of credits for the same tax year, equaling 37.7 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$7.8 billion by large FCDCs (21.9 percent of their tax liabilities) and \$85.3 billion by other large domestic corporations (32.8 percent of their tax liabilities).

<sup>17</sup> 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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**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 2009

[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)
<b>Total</b>	<b>4,083</b>	<b>100.0</b>	<b>N/A</b>	<b>3,647</b>	<b>89.3</b>	<b>9,813,535</b>	<b>2,404</b>	<b>3,320,458</b>	<b>813</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	0	0.0	0.0	0	0.0	0	0	0	0
Zero percent	1,840	45.1	45.1	1,595	86.7	4,105,362	2,231	1,209,598	657
Greater than zero and under 0.5 percent	894	21.9	67.0	821	91.8	2,647,948	2,962	1,163,109	1,301
0.5 percent under 1.0 percent	330	8.1	75.0	296	89.7	1,190,470	3,607	328,701	996
1.0 percent under 1.5 percent	238	5.8	80.9	218	91.6	164,277	690	137,502	578
1.5 percent under 2.0 percent	170	4.2	85.0	158	92.9	162,294	955	96,721	569
2.0 percent under 3.0 percent	200	4.9	89.9	188	94.0	340,994	1,705	115,939	580
3.0 percent under 4.0 percent	118	2.9	92.8	108	91.5	309,777	2,625	87,612	742
4.0 percent under 5.0 percent	78	1.9	94.7	69	88.5	248,501	3,186	75,096	963
5.0 percent under 7.5 percent	105	2.6	97.3	97	92.4	247,713	2,359	56,628	539
7.5 percent under 10.0 percent	39	1.0	98.3	37	94.9	109,457	2,807	25,184	646
10.0 percent or more	71	1.7	100.0	60	84.5	286,742	4,039	24,368	343

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)	
<b>Total</b>	<b>3,286,088</b>	<b>34,370</b>	<b>40,123</b>	<b>133,032</b>	<b>-92,907</b>	<b>98,186</b>	<b>35,429</b>	<b>26,081</b>	<b>6</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	0	0	0	0	0	0	0	0	0
Zero percent	1,278,133	-68,535	-67,602	14,391	-81,992	2,112	739	0	0
Greater than zero and under 0.5 percent	1,150,331	12,778	14,736	25,050	-10,314	14,417	5,689	1,559	2
0.5 percent under 1.0 percent	312,414	16,287	18,022	18,598	-575	11,276	4,265	2,318	7
1.0 percent under 1.5 percent	131,106	6,397	6,537	6,549	-12	5,880	2,075	1,687	7
1.5 percent under 2.0 percent	90,758	5,963	5,931	5,931	0	5,385	1,885	1,696	10
2.0 percent under 3.0 percent	106,370	9,569	9,712	9,726	-14	9,221	3,234	2,875	14
3.0 percent under 4.0 percent	76,891	10,721	10,717	10,717	0	9,886	3,457	3,044	26
4.0 percent under 5.0 percent	63,841	11,255	11,420	11,420	0	10,971	3,838	3,339	43
5.0 percent under 7.5 percent	45,389	11,239	11,703	11,703	0	10,629	3,786	3,519	34
7.5 percent under 10.0 percent	18,541	6,642	6,646	6,646	0	6,459	2,260	2,141	55
10.0 percent or more	12,314	12,054	12,301	12,301	0	11,950	4,201	3,903	55

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 2007 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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**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 2009

[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)
<b>Total</b>	<b>13,522</b>	<b>100.0</b>	<b>N/A</b>	<b>12,528</b>	<b>92.6</b>	<b>46,470,636</b>	<b>3,437</b>	<b>13,310,531</b>	<b>984</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	8	0.1	0.1	5	62.5	5,731	716	0	0
Zero percent	5,106	37.8	37.8	4,606	90.2	19,214,325	3,763	3,580,756	701
Greater than zero and under 0.5 percent	3,148	23.3	61.1	2,999	95.3	10,494,630	3,334	3,834,512	1,218
0.5 percent under 1.0 percent	1,097	8.1	69.2	1,040	94.8	2,208,039	2,013	1,142,779	1,042
1.0 percent under 1.5 percent	768	5.7	74.9	721	93.9	1,920,693	2,501	875,260	1,140
1.5 percent under 2.0 percent	574	4.2	79.1	533	92.9	1,467,969	2,557	1,225,443	2,135
2.0 percent under 3.0 percent	842	6.2	85.4	794	94.3	5,850,407	6,948	1,133,691	1,346
3.0 percent under 4.0 percent	570	4.2	89.6	538	94.4	1,436,175	2,520	662,602	1,162
4.0 percent under 5.0 percent	377	2.8	92.4	353	93.6	677,082	1,796	243,405	646
5.0 percent under 7.5 percent	566	4.2	96.6	530	93.6	1,062,209	1,877	313,958	555
7.5 percent under 10.0 percent	225	1.7	98.2	207	92.0	1,749,049	7,774	184,691	821
10.0 percent or more	241	1.8	100.0	202	83.8	384,327	1,595	113,434	471

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)	
<b>Total</b>	<b>12,962,657</b>	<b>347,873</b>	<b>463,258</b>	<b>801,105</b>	<b>-337,847</b>	<b>739,364</b>	<b>260,291</b>	<b>162,114</b>	<b>12</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	30	-30	-26	4	-30	4	1	1	[1]
Zero percent	3,841,481	-260,726	-228,478	45,630	-274,108	19,064	6,956	0	0
Greater than zero and under 0.5 percent	3,779,312	55,201	107,865	171,324	-63,459	152,606	54,215	5,803	2
0.5 percent under 1.0 percent	1,098,153	44,627	49,905	50,084	-179	45,361	16,179	8,001	7
1.0 percent under 1.5 percent	832,533	42,727	44,537	44,556	-19	42,804	15,025	11,285	15
1.5 percent under 2.0 percent	1,151,760	73,683	81,177	81,177	0	78,711	27,567	21,642	38
2.0 percent under 3.0 percent	1,030,587	103,103	105,852	105,864	-12	103,388	36,248	27,002	32
3.0 percent under 4.0 percent	584,179	78,423	79,400	79,400	0	78,100	27,321	22,656	40
4.0 percent under 5.0 percent	206,265	37,140	36,701	36,701	0	35,758	12,550	10,756	29
5.0 percent under 7.5 percent	253,249	60,708	64,629	64,629	0	63,079	22,055	19,161	34
7.5 percent under 10.0 percent	134,584	50,107	57,240	57,280	-40	56,714	19,850	15,750	70
10.0 percent or more	50,524	62,910	64,456	64,456	0	63,775	22,324	20,057	83

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 2007 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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

## Industry Characteristics

The industrial makeup of the largest foreign-controlled domestic companies is somewhat different from that of other large domestic corporations. For 2009, 36.2 percent of the largest FCDCs were classified as manufacturers, while manufacturers made up just 20.4 percent of the largest domestic companies that were not foreign-controlled. Similarly, wholesalers were a larger share of the FCDCs (26.4 percent) than of the other large domestic corporations (14.1 percent). Conversely, 14.0 percent of the largest ODCs were classified in finance and insurance, while this sector made up just 8.7 percent of the largest FCDCs. Holding companies (i.e., the management of companies) accounted for 10.1 percent of the largest domestic companies that were not foreign-controlled, while only 2.5 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 2007. Of the 4,083 large FCDCs contained in the Tax Year 2009 study, 89.3 percent were old corporations. Other large domestic corporations were similar to the FCDCs in this respect, with old corporations accounting for 92.6 percent of this group of 13,522 corporations.

Table 4 presents industry data for “old and large” domestic corporations, both foreign- and nonforeign-controlled. This comparison used 3,647 FCDCs and 12,528 ODCs that were incorporated prior to 2007 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 \$40 billion of receipts by FCDCs.

Column 43 of Table 4 shows the percentage of returns that reported profits (i.e., positive net income). While 60.3 percent of FCDCs reported profits, 66.4 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 different industries. 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 for wholesalers of nondurable goods for both FCDCs (74.4 percent) and ODCs (84.1 percent). Additionally, the percentage of profitable returns was lowest for utilities for FCDCs (31.3 percent) and for mining companies for ODCs (44.3 percent).

Column 57 of Table 4 shows the ratio of net income (less deficit) to total receipts.<sup>18</sup> Overall, net income (less deficit) as a percentage of receipts for FCDCs (1.3 percent) was considerably smaller than for ODCs (3.8 percent). Within each group of corporations, the ratio of profits to receipts varied across the industries. Certain industries, such as securities, commodity contracts, and other financial investments and related activities (12.4 percent for FCDCs and 15.9 percent for ODCs), reported high percentages. Other industries, such as the management of companies (-9.5 percent for FCDCs and -3.9 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, 2.9 percent for FCDCs versus 5.6 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 0.2 percent for utilities to a high of 11.9 percent for mining companies. For ODCs, the lowest ratio was 2.1 percent for nonmetallic mineral products manufacturers, and the highest ratio was 17.0 percent for chemical manufacturers.

Table 4 also includes the ratio of total U.S. income tax after credits to total receipts (column 64).<sup>19</sup> The total income tax after credits reported by both FCDCs (\$23.5 billion) and ODCs (\$156.8 billion) represents the tax liability of these companies as reported on their originally filed U.S. income tax returns (see column 42). The ratio of tax to receipts shown in column 64 of this table takes into account only the U.S. tax liabilities of

<sup>18</sup> 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—2009, 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 2009, the oldest and largest FCDCs reported \$-145.7 billion of total (negative) retained earnings, while other domestic corporations reported \$3.2 trillion of (positive) 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.

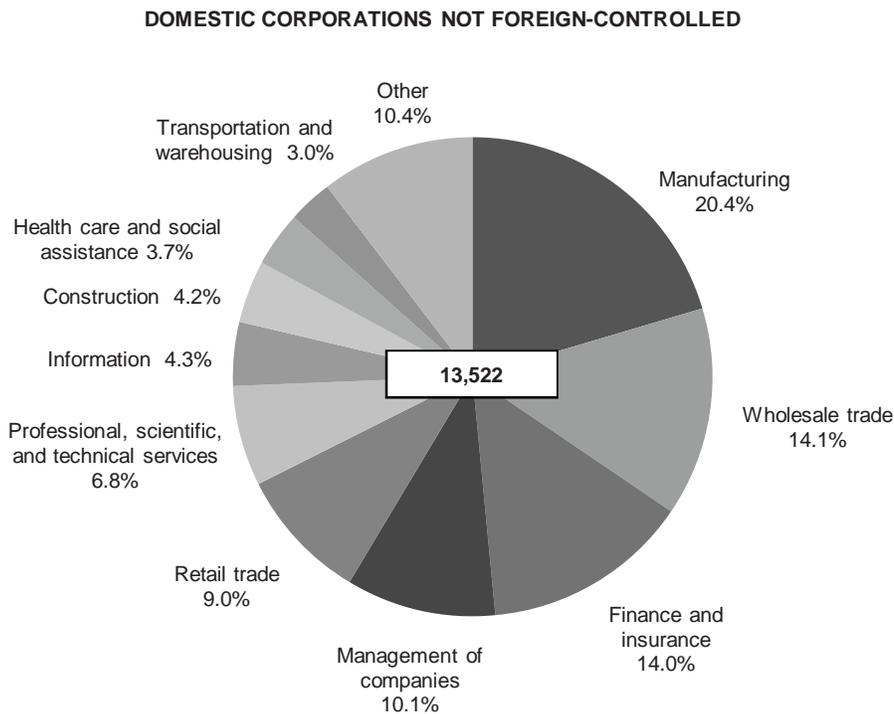
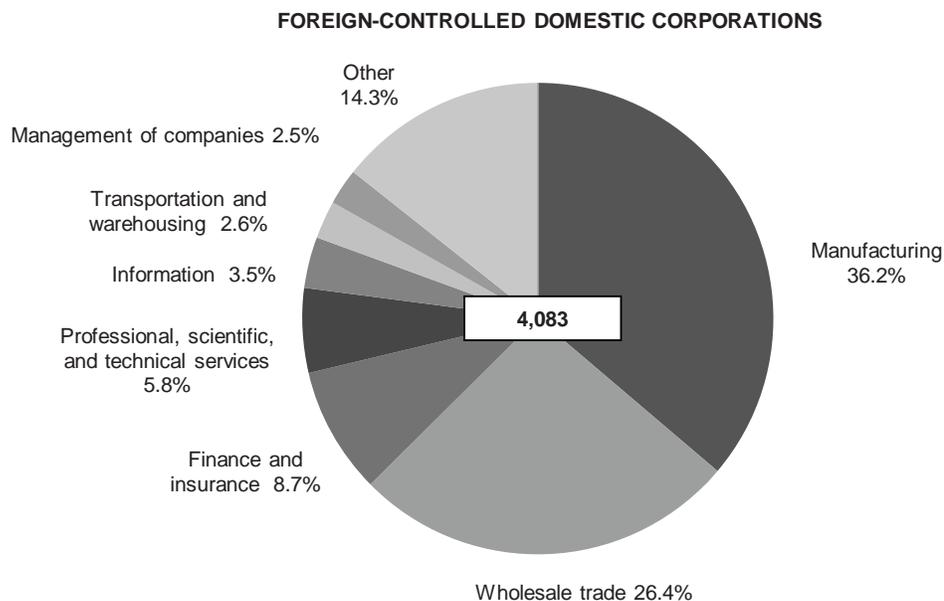
<sup>19</sup> In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total receipts reported by corporations.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

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

## Figure H

Distribution of Returns by Industry for "Large" Foreign-Controlled and Other Domestic Corporations, Tax Year 2009



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.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

the corporations. Additional data, which are beyond the scope of this article, would be required to examine the worldwide tax liabilities of the corporations.<sup>20</sup>

Overall, while FCDCs reported average tax liabilities after credits of \$0.77 per \$100 of receipts (or 0.77 percent), other domestic corporations reported tax liabilities after credits of \$1.22 per \$100 of receipts (or 1.22 percent). FCDCs ranged from a low of 0.05 percent for utilities to a high of 2.11 percent for mining companies. The range for ODCs was broader, between a low of 0.12 percent for petroleum and coal products manufacturers to a high of 4.04 percent for securities, commodity contracts, and other financial investment 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 204.5 percent of their assets, while companies handling securities, commodity contracts, and other financial investments had receipts of only 4.2 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 43.3 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, 57.9 percent and 65.9 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, 6.9 percent, than it was for FCDCs, 1.9 percent (see column 57 of Table 4). Net income (less deficit) as a percentage of total receipts for Tax Years 2000-2009 is shown in Figure I. For each of these 10 years, ODCs had higher percentages than the FCDCs.

Manufacturing ODCs reported taxable incomes of 8.2 percent of their receipts, while the percentage for

FCDCs was considerably smaller at 3.0 percent (see column 61 of Table 4). The ratios of total income tax after credits to total receipts for ODCs and FCDCs were 1.2 percent and 0.7 percent, respectively (see column 64 of Table 4). The closer 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 56.7 percent of their precredit income tax liabilities. For FCDCs, the percentage was substantially less, at 35.9 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 23.6 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, 78.3 percent and 65.4 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 (2.7 percent) than it was for FCDCs (0.7 percent). Figure I shows that the difference in percentages (of net income (less deficit) as a percentage of total receipts) between ODCs and FCDCs mostly favored ODCs during the 2000-2009 period, especially since 2004.

Wholesale ODCs reported taxable incomes of 2.9 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 (0.8 percent) than that of FCDCs (0.5 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 18.2 percent and 12.1 percent, respectively, of their precredit income tax liabilities. For ODCs, the foreign tax credit was the largest credit. However, for FCDCs, the general business credit was the largest credit.

## Summary

FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for Tax Year 2009. This percentage is much smaller than the percentages of assets (13.8

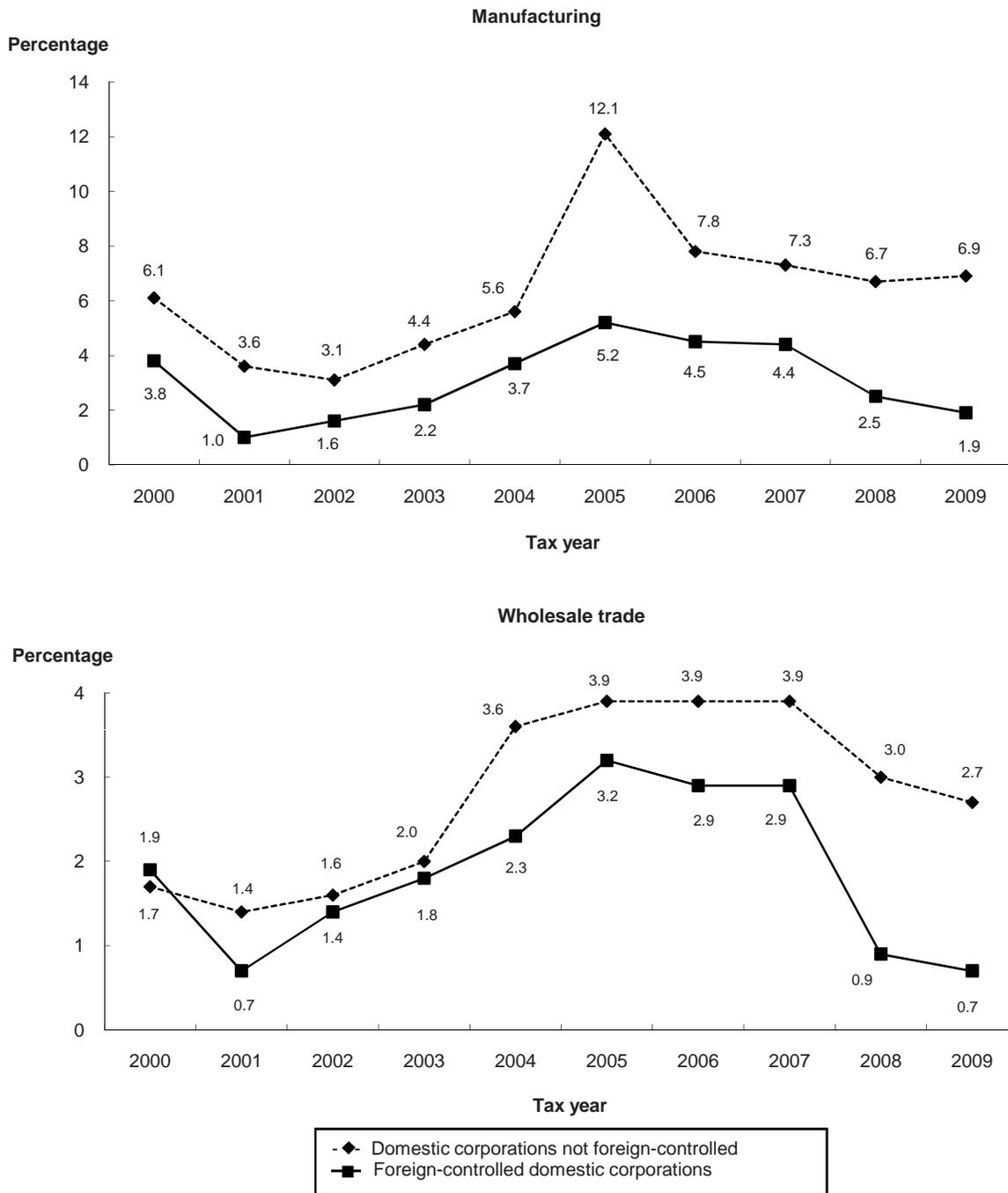
<sup>20</sup> One focus of this article is U.S. total income tax after credits. The reader might choose to focus instead on total worldwide taxes, which may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. There are limitations in using this procedure, and the foreign tax credit only approximates the foreign tax liabilities of the corporations. Table 4 shows amounts of foreign tax credits in addition to U.S. total income tax after credits. For the most recent statistics covering corporate foreign tax credits in depth, see Costa, Melissa, "Corporate Foreign Tax Credit, 2008," in this issue of the *Statistics of Income Bulletin* (Volume 32, Number 1). In addition, foreign tax credit data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Corporate Foreign Tax Credits.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure I**

**"Old, Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts for Selected Industries, by Control Status, Tax Years 2000–2009**



NOTES: "Old" corporations are those with dates of incorporation prior to 2007 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) as well as returns in which the foreign ownership level is between 25 percent and 49 percent.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

percent) and receipts (14.2 percent) that those FCDCs produced.

The value of FCDC assets declined for 2009, as did the value of assets for all corporations. FCDC assets totaled \$10.5 trillion for 2009, a 3.9-percent decrease from the previous year. By comparison, all corporations reported a total of \$76.0 trillion of assets for 2009, a 1.1-percent decrease over the previous year. FCDCs accounted for 13.8 percent of total corporate assets for 2009, down from 14.2 percent for the previous year.

Foreign business activity in the United States through FCDCs declined for Tax Year 2009. FCDCs reported \$3.5 trillion of total receipts for the year, a 19.4-percent decrease over the 2008 level. Total receipts reported on all U.S. corporation income tax returns also decreased, by a smaller percentage (13.3 percent), from the previous year. As a result, the share of total corporate receipts accounted for by FCDCs decreased from 15.3 percent to 14.2 percent.

Two industrial sectors, manufacturing and wholesale trade, generated nearly two-thirds of the \$3.5 trillion of total FCDC receipts. Manufacturers produced \$1.5 trillion of receipts, while wholesalers accounted for an additional \$0.8 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$729 billion, 20.7 percent of the FCDC total. In addition, FCDCs owned by persons in Japan (15.1 percent), Germany (10.1 percent), Canada (8.9 percent), the Netherlands (8.0 percent), Switzerland (6.7 percent), and France (6.7 percent) accounted for significant portions of receipts.

While the receipts of FCDCs decreased by 19.4 percent for 2009, these companies lowered their deductions by a slightly larger percentage, thereby increasing the net difference between total receipts and total deductions. The collective net income (less deficit) reported by foreign-controlled domestic corporations increased from \$21.8 billion for 2008 to \$36.4 billion for 2009, a 67.4-percent increase. To place the performance of FCDCs in context, total corporate net profits decreased from \$984.3 billion for 2008 to \$919.0 billion for 2009, a 6.6-percent decrease. FCDCs accounted for 4.0 percent of the net profits of all U.S. corporations for 2009, up from 2.2 percent for the previous year.

Both the FCDC aggregate “positive” profits (i.e., net income) and deficits decreased between 2008 and

2009. Net income decreased by 11.7 percent, from \$172.9 billion to \$152.7 billion. Deficits decreased by a larger percentage, 23.0 percent, from \$151.1 billion to \$116.3 billion.

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 \$38.2 billion for 2008 to \$28.3 billion for 2009, or by 26.1 percent. To place this in perspective, the 2009 U.S. tax liabilities of all corporations were 10.3 percent lower than the previous year. Thus, the FCDCs share of total corporate post-credit U.S. tax liabilities decreased from 16.7 percent for 2008 to 13.8 percent for 2009.

Of the 66,197 foreign-controlled domestic corporations, the 4,083 “largest” companies accounted for most of the total amounts of key financial items (e.g., 93.8 percent of the total assets, 94.4 percent of the total receipts, 93.4 percent of the taxable income, and 92.3 percent of the total income tax after credits).

This article compared the 3,647 oldest and largest foreign-controlled domestic corporations to the 12,528 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.<sup>21</sup>

## 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—2009, 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 is included in the

<sup>21</sup> 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.

## Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

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. Corporations with less than \$250,000 of receipts and less than \$250,000 of assets were not required to file balance sheets.

*Business receipts*—These receipts are, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. They represent all of a corporation’s receipts except investment and incidental income. Some corporations report sales and excise taxes as part of their gross receipts from sales (and deduct these taxes as part of “cost of goods sold” or as “taxes paid”); others report 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 and clothing. Business receipts include such banking items as fees, commissions, credit card income, and profits from Federal funds

transactions. Interest, the principal operating income of banking and other financial institutions, is excluded from business receipts; rather, it is included in the separate statistics for interest received. Also, premium income of most insurance companies is included in business receipts. Security dealers include profits from security trades in business receipts. Regulated investment companies and real estate investment trusts do not report business receipts, rather they report types of investment income. Business receipts also exclude gains from the sale of assets.

*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.<sup>22</sup> Under Subpart F, some types of foreign income are required to be included in the income of the U.S. shareholders, even if not actually distributed. This includable income comprises passive investment income, income from sources thought especially easy to shift between tax jurisdictions, and income from sources contrary to public policy. Foreign dividend gross-up is constructive taxable income to corporations that claim a foreign tax credit. A U.S. corporation could claim a foreign tax credit for a share of the foreign taxes actually paid by its related foreign corporations. The share of foreign taxes was treated as deemed paid by the U.S. corporation. In order to receive credit against U.S. tax, the foreign taxes deemed paid need to be included in the corporation’s worldwide income. The dividend gross-up, which is the equivalent amount of the foreign taxes deemed paid by the U.S. corporation, is included as income of the U.S. corporation. Constructive taxable income from related foreign corporations is not included in the statistics for total receipts.

<sup>22</sup> For the most recent statistics covering CFCs, see Mahony, Lee, and Miller, Randy, “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](http://www.irs.gov), under Tax Stats/International/Controlled Foreign Corporations.

## Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

*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. Companies who produced goods or acquired goods for resale were subject to the “uniform capitalization rules” of Internal Revenue Code section 263A. Under these rules, corporations were required to capitalize direct costs and an allocable portion of most indirect costs that relate to the goods produced or acquired for resale. Costs attributable to property that is inventory are included in inventory costs, while costs attributable to other property are included in capital accounts. 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 are included in total receipts and represent most distributions from the earnings and profits of companies incorporated in the United States. Dividend distributions among member corporations electing to file a consolidated return are eliminated from the statistics as part of the consolidated reporting of tax accounts. Thus, dividends shown for consolidated returns represent amounts received from domestic corporations that are outside the affiliated group. In general, dividends received from domestic corporations are part of the computation of the statutory special deductions from net income. See also “Statutory special deductions,” discussed below.

*Dividends received from foreign corporations*—These dividends are included in total receipts and are paid from the earnings and profits of companies incorporated in foreign countries. Dividends received from foreign corporations out of U.S.-source earnings and profits were usually eligible for the dividends received deduction, a part of statutory special deductions. Not eligible were dividends out of foreign-source earnings and profits. This item does not include constructive taxable income from related foreign corporations (discussed above) because it was not an actual receipt.

*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

## Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

States severed or did not conduct diplomatic relations, or which provided support for international terrorism.

*Income subject to tax*—For most corporations, income subject to tax, i.e., taxable income, consisted of (positive) net income minus 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. The rates of tax on taxable incomes were graduated (with some exceptions) under Internal Revenue Code section 11. This item 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. Personal service corporations were taxed at a flat 35 percent on their taxable incomes. Members of controlled groups were required to apportion their tax liabilities.

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

*Net income (or deficit)*—This is a company's net profit or loss from taxable sources of income reduced by deductions allowed by the Internal Revenue Code. It reflects not only actual receipts, but "constructive" receipts as well (i.e., includable income from Controlled Foreign Corporations and the foreign dividend "gross-up"). Tax-exempt interest on State and local government obligations is excluded from this item, but is included in "total receipts." The deductions include ordinary and necessary business deductions but do not include statutory special deductions. The statistics for (positive) net income are generally larger than those for "income subject to tax" because the latter is reduced by the amount of statutory special deductions, including the net operating loss deduction. In this article, for a group of returns, this item may be referred to as either "profits" (i.e., net income exceeds deficits) or "losses" (deficits

exceed net income). On Form 1120, net income (or deficit) was reported on page 1, line 28, entitled "Taxable income before net operating loss deduction and special deductions."

*Net operating loss deduction (NOLD)*—A statutory "net operating loss" (NOL) for a given tax year could be carried back, in general, 2 years to reduce the taxable income of those years. Similarly, any amount of the NOL not offset against income during that time could be carried forward to offset income for a period not exceeding 20 years. A "net operating loss" is calculated using the laws and IRS regulations in effect for a given tax year and is the excess of allowable deductions over taxable income, with certain adjustments. The amount of the deduction included in the statistics of this article, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (2009) tax year. Losses incurred after Tax Year 2009 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 2009 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, bond retirements, and loss reserves) or unappropriated (dividends and distributions to shareholders are paid from these funds). Adjustments to shareholders' equity can be either positive or negative and includes unrealized gains and losses on securities held "available for sale." Treasury stock is common or preferred stock originally issued by the corporation that has been reacquired and held at the end of the accounting period by the issuing corporation.

*Number of returns*—The data contained in this article include the number of returns filed by "active"

corporations (i.e., those reporting at least one item of income or deductions) for Tax Year 2009. 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.<sup>23</sup> 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). Internal Revenue Code section 856 defines REITs.

*Regulated investment companies*—A regulated investment company (RIC) is a domestic corporation registered as a management company or unit investment trust under the Investment Company Act of 1940 (ICA), or elected to be treated as a business development company under the ICA, or (with exceptions) a common trust fund or 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.<sup>23</sup> 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. Internal Revenue Code section 851 defines RICs.

*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: (1) 100 shareholders or less; (2) only individuals, estates, or trusts as shareholders; and (3) no nonresident alien 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. Some S corporations are subject to certain special taxes at the corporate 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.<sup>23</sup> Banks and life insurance companies were also ineligible to be treated as S corporations.

*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 include: (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. As part of the consolidated reporting of tax accounts, dividends received deductions exclude deductions related to dividends distributed among member corporations that elected to file a consolidated tax return. Statutory special deductions were in addition to ordinary and necessary business deductions. In general, net

<sup>23</sup> Shown in Appendix A of this article are Tax Year 2009 data for all REITs, RICs, and S corporations, regardless of size, filed by foreign-controlled domestic corporations (FCDCs) and by other domestic corporations (ODCs).

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

income less statutory special deductions equals income subject to tax.

*Total assets*—This item represented those assets reported in the end-of-year balance sheets of the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts.

*Total deductions*—This item includes the cost of goods sold, the ordinary and necessary business deductions from gross income, and the net loss from sales of noncapital assets.

*Total income tax before and after credits*—For 2009, total income tax of FCDCs was primarily comprised of the income tax imposed on corporate income subject to tax (97.0 percent of the total tax). The alternative minimum tax accounted for 3.0 percent of the total. A small number of corporation income tax returns without net income reported amounts of income tax. The income tax, in these cases, resulted from special provisions of the Internal Revenue Code applicable to life insurance operations. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture 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 2009, the credits used to reduce the total income tax of FCDCs primarily included the foreign tax credit (82.9 percent of the \$9.5 billion of total credits); the general business credit (15.1 percent); and the prior-year minimum tax credit (2.0 percent), as well as small amounts of other credits.

*Total receipts*—This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts (i.e., business receipts, taxable interest, rents, royalties, most net capital gains, net noncapital gains, dividends received, and other receipts), before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and

local government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries. However, total receipts exclude certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Also excluded from this item are long-term capital gains of regulated investment companies, as well as taxable interest, rents, royalties, net capital gains, and dividends received of S corporations.

*Total receipts less total deductions*—This item differs from “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 2009 are based on returns with accounting periods that ended between July 2009 and June 2010. 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 2009, that span was from August 2008 through June 2010. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2009. Of the 66,197 FCDC returns filed for Tax Year 2009, there were 46,158 that had accounting periods ending in December 2009, nearly 70 percent of the total. These returns accounted for over 75 percent of both the receipts and deductions reported by all FCDCs, as well as nearly 85 percent of the FCDC assets.

The sampling frame for the 2009 statistics consisted, in general, of tax returns with accounting periods that ended between July 2009 and June 2010 and that posted to the IRS Business Master File between July 2009 and June 2011. A 24-month sampling period was needed for several reasons. First, some corporations had noncalendar year accounting periods ending as late as June 2010. Second, while corporation returns must be filed within 2½ months after the close of the accounting period, many corporations requested and received filing extensions of 6 months. Third, normal administrative processing time

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

lags required that the sampling process remained open until June 2011.

## 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 over 9,300 unaudited tax returns selected from nearly 66,200 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2009. 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-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*); 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*); and 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*). For Tax Year 2009, FCDCs filed only 46 Forms 1120L.<sup>24</sup> FCDCs also filed 63 Forms 1120-PC, 109 Forms 1120-REIT, and 395 Forms 1120-RIC; they 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 2009, 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 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—2009, 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. The smaller the CV, the more reliable the estimate is judged to be. 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 taxpayers, inability of a corporation to provide accurate information at the time of filing (data are collected before auditing), inability to obtain all tax schedules and attachments, errors in recording or coding the data, errors in collecting or cleaning the data, errors made in estimating for missing data, and failure to represent all population units.

Returns were selected for this study based on taxpayers’ responses to two questions that appeared

<sup>24</sup> The count of 46 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 2009, there were 156 section 1504(c) returns included in the foreign-controlled domestic corporations total of 66,197 returns. Of this number, 73 returns had a property/casualty insurance company as the largest subsidiary (based on income); another 70 returns had a noninsurance company as the largest subsidiary; and 13 returns had a life insurance company as the largest subsidiary.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Figure J**

## Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Sector and Selected Country of Foreign Owner, Tax Year 2009

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)
<b>Total</b>	<b>3.74</b>	<b>0.02</b>	<b>0.15</b>	<b>0.15</b>	<b>0.29</b>	<b>0.19</b>	<b>0.22</b>
<b>Selected industrial sector:</b>							
Construction	27.28	0.90	1.47	3.14	1.86	3.13	3.38
Finance and insurance	11.85	0.01	0.17	0.19	0.43	0.35	0.35
Information	20.69	0.16	0.93	0.75	2.70	1.06	0.94
Management of companies (holding companies)	15.70	0.06	0.14	1.23	0.62	1.19	2.13
Manufacturing	10.82	0.05	0.12	0.19	0.43	0.20	0.26
Professional, scientific, and technical services	12.70	0.41	1.34	1.13	2.49	1.14	1.21
Real estate and rental and leasing	7.62	0.63	0.99	3.07	1.92	4.92	4.97
Retail trade	19.67	0.52	0.62	1.48	4.51	1.90	1.85
Wholesale trade	7.44	0.21	0.43	0.64	1.19	0.70	0.75
<b>Selected country of foreign owner:</b>							
Bermuda	41.29	0.26	1.00	0.60	1.07	0.82	1.47
Canada	10.66	0.08	0.68	0.68	0.99	1.02	1.09
France	19.55	0.05	0.35	0.33	1.30	0.41	0.48
Germany	13.77	0.07	0.42	0.49	0.85	0.96	1.01
Japan	12.80	0.11	0.41	0.48	0.99	0.53	0.52
Netherlands	18.90	0.06	0.68	0.46	0.74	0.49	0.72
South Korea, Republic of	28.43	0.90	1.01	2.70	3.55	4.71	5.59
Sweden	19.57	0.56	0.86	1.65	3.43	2.45	2.39
Switzerland	20.62	0.04	0.36	0.21	1.49	0.25	0.26
United Kingdom	14.07	0.04	0.22	0.33	0.70	0.31	0.44
Venezuela	27.69	1.38	1.13	33.29	4.84	36.25	39.86

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.<sup>25</sup> 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.<sup>26</sup> However, prior to tabulation, corporations with large amounts of assets or receipts, and with changes in foreign ownership status between 2008 and

2009, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on the estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. The North American Industry Classification System (NAICS) was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of the total receipts) of the corporation filing the return. However, a given return may summarize the activity of a company engaged in several businesses or may have been a consolidated return filed for an

<sup>25</sup> 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.”

<sup>26</sup> 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 1,402 returns for Tax Year 2009 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$2.8 billion of assets and \$2.7 billion of receipts.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

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 2009

[Money amounts are in millions of dollars]

Type of corporation and item	FCDCs	ODCs
<b>Real Estate Investment Trusts (REITs):</b>		
Number of returns	109	1,526
Total assets	59,440	1,187,281
Total receipts	3,212	90,127
Net income (less deficit)	-97	24,061
Income subject to tax	0	49
Total income tax after credits	0	41
<b>Regulated Investment Companies (RICs):</b>		
Number of returns	395	12,648
Total assets	295,252	12,940,961
Total receipts	11,049	319,549
Net income (less deficit)	9,390	221,544
Income subject to tax	0	11
Total income tax after credits	0	4
<b>S Corporations:</b>		
Number of returns	0	4,094,562
Total assets	0	3,240,101
Total receipts	0	5,392,867
Total net income (less deficit)	0	272,466
Net income (less deficit) from a trade or business	0	220,889
Total income tax before credits	0	224

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 1. Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971–2009**

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

Item	1971	1990	2000	2005	2006	2007	2008	2009
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ALL CORPORATIONS</b>								
Number of returns, total	1,733,332	3,716,650	5,045,274	5,671,257	5,840,799	5,868,849	5,847,221	5,824,545
Number with net income	1,063,940	1,910,670	2,819,153	3,324,260	3,367,313	3,367,720	3,183,821	3,148,768
Total assets	2,889,221	18,190,058	47,026,872	66,445,430	73,080,647	81,486,346	76,799,144	75,965,019
Total receipts	1,906,008	11,409,520	20,605,808	25,504,789	27,401,874	28,762,924	28,589,771	24,772,531
Business receipts	1,763,760	9,860,442	17,636,551	21,800,290	23,310,310	24,217,396	24,718,122	21,584,886
Interest received [1]	65,596	942,238	1,576,101	1,712,271	2,242,464	2,569,844	2,108,790	1,478,717
Total deductions	1,824,063	11,032,575	19,691,592	23,612,766	25,501,558	26,974,257	27,686,727	23,943,765
Cost of goods sold	1,241,282	6,610,770	11,135,288	13,816,464	14,799,599	15,513,227	16,080,387	13,286,300
Interest paid	64,697	825,372	1,271,679	1,287,098	1,787,104	2,085,113	1,658,636	1,069,664
Total receipts less total deductions	81,945	376,945	914,216	1,892,024	1,900,316	1,788,667	903,044	828,766
Net income (less deficit)	79,700	370,633	927,526	1,948,655	1,933,374	1,836,783	984,342	918,953
Net income	96,688	552,527	1,336,620	2,234,882	2,239,614	2,252,874	1,806,890	1,614,867
Deficit	-16,988	-181,894	-409,094	-286,227	-306,240	-416,091	-822,548	-695,913
Income subject to tax	83,165	366,353	760,404	1,201,325	1,291,431	1,248,285	978,153	894,850
Total income tax before credits	37,510	128,186	266,282	419,209	453,082	437,076	342,381	313,464
Income tax	37,143	119,434	262,233	416,324	450,168	433,493	339,726	310,112
Total income tax after credits	30,220	96,403	204,044	312,086	353,084	331,374	228,523	204,996
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>								
Number of returns, total	5,154	44,113	60,609	61,820	63,951	64,026	66,797	66,197
Number with net income	2,575	17,360	26,519	30,870	30,318	30,929	28,399	25,158
Total assets	36,674	1,652,255	6,071,994	9,218,983	9,743,225	11,161,430	10,887,289	10,461,430
Total receipts	39,181	1,060,295	2,612,072	3,505,629	3,839,754	4,217,409	4,367,410	3,518,194
Business receipts	38,043	950,083	2,253,215	3,058,260	3,323,274	3,597,435	3,855,657	3,147,948
Interest received [1]	420	67,315	180,006	235,304	304,577	387,460	288,390	175,969
Total deductions	38,050	1,056,921	2,549,986	3,345,178	3,671,102	4,071,891	4,351,886	3,487,675
Cost of goods sold	28,804	709,052	1,584,513	2,239,966	2,425,660	2,638,722	2,849,635	2,204,868
Interest paid	733	77,562	186,835	199,877	286,668	360,439	252,292	151,639
Total receipts less total deductions	1,132	3,374	62,085	160,450	168,652	145,518	15,524	30,519
Net income (less deficit)	1,111	3,966	66,312	165,188	172,560	152,261	21,769	36,431
Net income	1,496	29,410	118,598	201,597	214,812	226,419	172,866	152,727
Deficit	-384	-25,444	-52,287	-36,409	-42,252	-74,158	-151,097	-116,296
Income subject to tax	1,344	23,704	97,515	153,007	171,251	183,840	140,227	105,152
Total income tax before credits	650	8,719	34,650	53,820	60,313	65,071	49,407	37,783
Income tax	631	8,008	33,950	53,137	59,693	64,192	48,846	36,631
Total income tax after credits	610	7,438	28,073	42,415	49,953	52,845	38,234	28,271
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS</b>								
Number of returns, total	0.30	1.19	1.20	1.09	1.09	1.09	1.14	1.14
Number with net income	0.24	0.91	0.94	0.93	0.90	0.92	0.89	0.80
Total assets	1.27	9.08	12.91	13.87	13.33	13.70	14.18	13.77
Total receipts	2.06	9.29	12.68	13.74	14.01	14.66	15.28	14.20
Business receipts	2.16	9.64	12.78	14.03	14.26	14.85	15.60	14.58
Interest received [1]	0.64	7.14	11.42	13.74	13.58	15.08	13.68	11.90
Total deductions	2.09	9.58	12.95	14.17	14.40	15.10	15.72	14.57
Cost of goods sold	2.32	10.73	14.23	16.21	16.39	17.01	17.72	16.60
Interest paid	1.13	9.40	14.69	15.53	16.04	17.29	15.21	14.18
Total receipts less total deductions	1.38	0.90	6.79	8.48	8.87	8.14	1.72	3.68
Net income (less deficit)	1.39	1.07	7.15	8.48	8.93	8.29	2.21	3.96
Net income	1.55	5.32	8.87	9.02	9.59	10.05	9.57	9.46
Deficit	2.26	13.99	12.78	12.72	13.80	17.82	18.37	16.71
Income subject to tax	1.62	6.47	12.82	12.74	13.26	14.73	14.34	11.75
Total income tax before credits	1.73	6.80	13.01	12.84	13.31	14.89	14.43	12.05
Income tax	1.70	6.70	12.95	12.76	13.26	14.81	14.38	11.81
Total income tax after credits	2.02	7.72	13.76	13.59	14.15	15.95	16.73	13.79

[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, 2009

Statistics of Income Bulletin | Summer 2012

**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2009**

[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)
<b>All industries</b>	<b>66,197</b>	<b>25,158</b>	<b>18,745</b>	<b>10,461,430</b>	<b>2,219,651</b>	<b>3,518,194</b>	<b>3,147,948</b>	<b>3,487,675</b>
Agriculture, forestry, fishing, and hunting	867	299	252	6,369	3,190	3,591	3,325	3,611
Agricultural production	713	291	244	5,604	2,997	3,016	2,852	3,056
Forestry and logging	* 65	* 4	* 4	* 537	* 314	* 355	* 309	* 323
Support activities and fishing, hunting, and trapping	* 89	* 4	* 4	* 228	* -122	* 220	* 164	* 232
Mining	844	230	168	215,186	83,120	76,547	70,602	76,147
Utilities	206	24	24	134,971	31,922	55,237	52,743	60,160
Construction	1,668	249	217	45,493	9,207	44,367	42,761	45,324
Construction of buildings	389	20	19	21,386	3,045	27,592	26,703	28,860
Heavy and civil engineering construction	674	71	68	16,779	4,023	10,170	9,512	9,930
Specialty trade contractors	604	159	130	7,328	2,138	6,605	6,545	6,534
Manufacturing	7,361	2,932	2,376	2,373,298	663,966	1,482,748	1,413,691	1,463,361
Food manufacturing	758	383	118	77,260	21,526	82,459	81,475	80,290
Beverage and tobacco product manufacturing	89	33	30	102,345	29,242	37,383	34,452	33,567
Textile mills and textile product mills	113	61	58	5,479	2,233	6,256	6,182	6,167
Apparel manufacturing	55	16	16	979	486	1,102	1,088	1,084
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	138	88	87	6,367	2,364	6,744	6,589	7,188
Paper manufacturing	97	52	52	13,571	4,725	14,902	14,580	14,554
Printing and related support activities	35	19	19	5,001	1,152	5,614	5,288	5,714
Petroleum and coal products manufacturing	57	15	15	578,867	134,657	415,067	406,507	410,598
Chemical manufacturing	529	306	285	415,967	104,168	229,036	209,421	213,870
Plastics and rubber products manufacturing	465	194	127	50,517	18,136	43,662	42,585	43,150
Nonmetallic mineral product manufacturing	145	71	65	106,592	22,728	42,300	40,857	46,189
Primary metal manufacturing	164	67	70	78,808	19,695	50,778	49,859	54,908
Fabricated metal product manufacturing	540	228	138	45,039	14,790	31,621	30,832	32,256
Machinery manufacturing	992	326	290	127,576	39,686	82,082	78,618	82,450
Computer and electronic product manufacturing	1,097	536	518	218,301	83,970	124,136	115,233	122,159
Electrical equipment, appliance, and component manufacturing	227	117	105	64,383	29,212	31,607	30,937	31,145
Transportation equipment manufacturing	837	210	188	392,705	127,043	208,962	196,172	211,636
Furniture and related product manufacturing	184	32	32	1,555	-482	2,182	2,177	2,335
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	20,206	8,059	6,549	679,645	210,553	963,444	939,147	958,619
Wholesale trade	16,168	7,011	5,895	599,402	188,374	837,508	815,827	833,269
Wholesale trade, durable goods	11,373	4,641	3,841	357,953	103,849	519,496	505,006	524,147
Wholesale trade, nondurable goods	4,623	2,287	1,987	241,193	84,537	317,976	310,791	309,047
Wholesale electronic markets and agents and brokers	* 172	* 84	* 67	* 256	* -12	* 37	* 30	* 76
Retail trade	4,038	1,048	654	80,243	22,179	125,936	123,320	125,350
Motor vehicle dealers and parts dealers	378	76	74	2,149	601	4,639	4,430	4,668
Furniture and home furnishings stores	400	8	8	6,546	770	6,154	6,124	6,247
Electronics and appliance stores	237	104	103	990	-310	2,378	2,336	2,484
Building material and garden equipment and supplies dealers	* 142	* 31	* 31	* 378	* 75	* 644	* 631	* 676
Food, beverage and liquor stores	399	268	6	30,579	7,573	61,732	60,999	60,764
Health and personal care stores	146	123	19	6,845	2,108	6,017	5,837	5,918
Gasoline stations	5	d	d	3,194	809	13,718	13,574	13,659
Clothing and clothing accessories stores	697	59	58	19,100	8,197	17,695	16,831	17,883
Sporting goods, hobby, book, and music stores	171	91	89	1,132	138	1,017	961	1,092
General merchandise stores	* 223	* 212	* 212	* 291	* 37	* 1,019	* 1,006	* 1,011
Miscellaneous store retailers	588	d	d	2,207	577	1,681	1,626	1,750
Nonstore retailers	652	55	36	6,832	1,604	9,243	8,963	9,199

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2009—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	1,539	970	874	73,394	18,824	55,878	52,741	57,101
Air, rail, and water transportation	138	86	24	22,122	6,576	12,370	12,069	12,771
Truck transportation	178	108	108	1,037	184	2,850	2,825	2,829
Transit and ground passenger transportation	* 257	* 254	* 253	* 7,031	* 1,379	* 5,505	* 5,223	* 5,530
Pipeline transportation	4	d	d	2,881	1,484	3,125	3,085	3,110
Other transportation and support activities	631	d	d	30,842	4,403	29,173	26,829	30,000
Warehousing and storage	331	318	300	9,481	4,799	2,855	2,710	2,860
Information	2,270	996	698	290,043	113,284	109,075	96,534	105,376
Publishing industries	741	356	189	85,590	10,673	38,086	35,571	38,352
Motion picture and sound recording industries	529	381	361	21,265	13,247	9,223	6,359	9,342
Broadcasting (except Internet)	39	11	10	4,209	1,208	946	835	913
Telecommunications (including paging, cellular, satellite, cable and internet service providers)	249	94	86	149,282	79,749	45,120	39,108	41,442
Data processing, hosting, and related services	156	6	5	7,568	-442	3,310	3,038	3,106
Other information services (including news syndicates, libraries, and internet publishing and broadcasting)	557	149	48	22,128	8,849	12,391	11,622	12,221
Finance and insurance	3,535	1,820	1,112	5,028,452	786,434	429,052	264,242	410,735
Credit intermediation	443	353	104	391,643	37,400	23,696	11,250	26,632
Depository credit intermediation	43	15	15	210,508	18,972	9,937	1,206	13,441
Nondepository credit intermediation	400	338	89	181,136	18,428	13,759	10,043	13,191
Securities, commodity contracts, and other financial investments and related activities	1,530	587	523	2,469,331	119,501	109,260	43,948	98,036
Insurance carriers and related activities	403	283	277	1,816,935	321,060	282,708	208,688	281,889
Funds, trusts, and other financial vehicles	1,158	597	209	350,543	308,473	13,388	357	4,178
Real estate and rental and leasing	12,654	3,741	2,213	178,515	57,655	23,011	14,814	25,645
Real estate	12,411	3,648	2,151	135,719	47,561	13,265	7,194	15,454
Rental and leasing services	236	d	d	34,629	5,032	9,107	7,013	9,478
Lessors of nonfinancial intangible assets (except copyrighted works)	* 7	d	d	* 8,167	* 5,061	* 640	* 607	* 714
Professional, scientific, and technical services	8,567	3,522	2,471	187,433	74,866	105,021	97,779	103,022
Management of companies (holding companies)	2,684	800	651	1,094,778	135,968	73,114	12,137	82,489
Administrative and support and waste management and remediation services	1,168	712	638	58,708	13,221	43,598	40,813	43,368
Administrative and support services	1,159	708	635	50,252	9,057	38,444	36,013	38,511
Waste management and remediation services	9	4	3	8,457	4,163	5,154	4,800	4,857
Educational services	267	7	6	4,181	1,308	1,466	1,374	1,308
Health care and social assistance	209	96	15	28,560	5,955	12,967	12,222	12,323
Offices of health practitioners and outpatient care centers	* 162	* 58	* 3	* 21,653	* 4,199	* 6,980	* 6,680	* 6,406
Miscellaneous health care and social assistance	18	d	d	4,658	1,046	3,203	3,129	3,184
Hospitals, nursing, and residential care facilities	* 30	d	d	* 2,248	* 710	* 2,784	* 2,412	* 2,732
Arts, entertainment, and recreation	990	328	165	9,025	-1,913	4,873	4,342	5,186
Amusement, gambling, and recreation industries	321	31	11	5,815	-1,440	2,098	1,986	2,369
Other arts, entertainment, and recreation	670	297	154	3,210	-473	2,775	2,356	2,817
Accommodation and food services	795	225	202	46,600	11,264	27,630	22,430	27,557
Accommodation	226	97	83	28,796	11,413	6,328	3,877	6,796
Food services and drinking places	569	128	120	17,805	-149	21,302	18,553	20,762
Other services	358	149	113	6,779	829	6,576	6,253	6,328
Repair and maintenance	88	43	39	3,769	1,004	4,182	4,006	4,109
Personal and laundry services	270	106	74	3,010	-176	2,394	2,247	2,218
Nature of business not allocable	* 9	* 0	* 0	* 0	* 0	* 0	* 0	* 16

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2009—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)
<b>All industries</b>	<b>2,204,868</b>	<b>30,519</b>	<b>36,431</b>	<b>152,727</b>	<b>-116,296</b>	<b>105,152</b>	<b>37,783</b>	<b>28,271</b>
Agriculture, forestry, fishing, and hunting	2,191	-20	-3	302	-305	271	93	83
Agricultural production	1,824	-40	-23	256	-278	225	77	67
Forestry and logging	* 258	* 31	* 31	* 36	* -5	* 36	* 13	* 13
Support activities and fishing, hunting, and trapping	* 108	* -12	* -12	* 10	* -22	* 10	* 3	* 3
Mining	35,931	400	696	9,852	-9,157	8,013	2,872	1,438
Utilities	32,910	-4,923	-4,926	374	-5,300	311	109	89
Construction	36,980	-957	-957	1,160	-2,117	942	336	296
Construction of buildings	24,943	-1,268	-1,268	279	-1,547	261	95	94
Heavy and civil engineering construction	7,168	240	239	631	-392	523	186	149
Specialty trade contractors	4,869	71	72	250	-178	158	56	53
Manufacturing	1,063,845	19,387	23,835	54,347	-30,512	45,508	16,468	11,272
Food manufacturing	55,106	2,169	2,183	2,764	-581	2,045	725	685
Beverage and tobacco product manufacturing	14,616	3,816	4,440	4,510	-70	4,468	1,567	1,557
Textile mills and textile product mills	4,751	89	95	229	-133	173	60	58
Apparel manufacturing	760	18	18	34	-16	31	11	11
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	5,463	-445	-420	73	-494	58	19	19
Paper manufacturing	11,054	348	370	583	-213	282	101	98
Printing and related support activities	4,015	-100	-100	61	-161	50	17	17
Petroleum and coal products manufacturing	360,544	4,469	5,772	7,260	-1,487	7,228	3,026	587
Chemical manufacturing	121,848	15,166	16,319	19,951	-3,632	17,313	6,082	4,436
Plastics and rubber products manufacturing	30,008	512	568	1,276	-708	719	257	221
Nonmetallic mineral product manufacturing	28,597	-3,889	-3,865	493	-4,358	427	151	128
Primary metal manufacturing	44,613	-4,130	-4,126	371	-4,496	226	89	81
Fabricated metal product manufacturing	23,054	-634	-604	757	-1,362	699	243	206
Machinery manufacturing	58,022	-368	-210	2,233	-2,443	1,918	667	527
Computer and electronic product manufacturing	81,633	1,977	2,392	5,799	-3,407	3,121	1,096	763
Electrical equipment, appliance, and component manufacturing	22,265	462	851	1,426	-575	1,086	383	216
Transportation equipment manufacturing	153,043	-2,674	-2,639	2,776	-5,415	2,478	852	737
Furniture and related product manufacturing	1,546	-154	-154	18	-172	6	2	2
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	760,628	4,825	5,243	21,057	-15,814	16,515	5,759	5,142
Wholesale trade	673,910	4,239	4,651	18,693	-14,042	14,827	5,164	4,594
Wholesale trade, durable goods	422,696	-4,651	-4,316	6,619	-10,935	4,935	1,709	1,588
Wholesale trade, nondurable goods	251,213	8,929	9,006	12,067	-3,061	9,888	3,453	3,005
Wholesale electronic markets and agents and brokers	* 0	* -39	* -39	* 7	* -45	* 3	* 1	* 1
Retail trade	86,718	586	592	2,364	-1,772	1,688	596	548
Motor vehicle dealers and parts dealers	3,887	-30	-30	23	-53	22	7	7
Furniture and home furnishings stores	3,870	-93	-93	27	-120	27	9	9
Electronics and appliance stores	1,466	-107	-107	24	-130	10	3	3
Building material and garden equipment and supplies dealers	* 526	* -32	* -32	* 6	* -38	* 6	* 2	* 2
Food, beverage and liquor stores	44,412	968	969	1,355	-386	1,093	386	360
Health and personal care stores	2,730	100	101	190	-89	159	56	46
Gasoline stations	11,763	60	60	d	d	d	d	d
Clothing and clothing accessories stores	8,489	-189	-184	461	-645	183	70	67
Sporting goods, hobby, book, and music stores	640	-75	-75	3	-78	2	0	0
General merchandise stores	* 670	* 8	* 8	* 41	* -33	* 41	* 12	* 12
Miscellaneous store retailers	799	-70	-70	d	d	d	d	d
Nonstore retailers	7,467	44	44	148	-105	61	21	20

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2009—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	22,313	-1,223	-1,213	839	-2,051	549	189	175
Air, rail, and water transportation	4,831	-401	-401	207	-609	28	10	10
Truck transportation	1,578	21	21	72	-51	66	22	22
Transit and ground passenger transportation	* 1,007	* -25	* -25	* 27	* -53	* 2	* 1	* 0
Pipeline transportation	2,858	15	15	d	d	d	d	d
Other transportation and support activities	11,593	-828	-822	d	d	d	d	d
Warehousing and storage	445	-5	0	156	-156	131	45	40
Information	35,397	3,699	3,917	7,174	-3,258	3,988	1,437	1,326
Publishing industries	13,587	-266	-165	1,857	-2,022	1,023	364	330
Motion picture and sound recording industries	2,537	-119	-48	252	-300	160	53	52
Broadcasting (except Internet)	338	33	33	91	-58	26	10	9
Telecommunications (including paging, cellular, satellite, cable and internet service providers)	14,551	3,678	3,718	4,238	-519	2,151	790	727
Data processing, hosting, and related services	761	204	210	349	-139	334	117	116
Other information services (including news syndicates, libraries, and internet publishing and broadcasting)	3,622	170	169	388	-220	293	102	92
Finance and insurance	145,372	18,316	17,598	39,496	-21,898	14,533	5,431	4,866
Credit intermediation	301	-2,936	-3,078	1,055	-4,133	436	193	163
Depository credit intermediation	0	-3,504	-3,618	119	-3,737	59	58	54
Nondepository credit intermediation	301	568	540	936	-396	376	135	110
Securities, commodity contracts, and other financial investments and related activities	297	11,224	11,334	17,418	-6,084	5,488	2,057	1,914
Insurance carriers and related activities	144,462	819	134	10,920	-10,786	8,384	3,103	2,712
Funds, trusts, and other financial vehicles	312	9,209	9,208	10,103	-895	225	78	77
Real estate and rental and leasing	1,821	-2,634	-2,653	1,956	-4,609	831	281	275
Real estate	270	-2,189	-2,190	1,476	-3,666	704	237	233
Rental and leasing services	1,520	-371	-389	d	d	d	d	d
Lessors of nonfinancial intangible assets (except copyrighted works)	* 31	* -74	* -74	d	d	d	d	d
Professional, scientific, and technical services	27,963	1,999	2,204	7,455	-5,251	5,778	2,020	1,714
Management of companies (holding companies)	1,964	-9,376	-8,609	4,779	-13,389	4,723	1,670	786
Administrative and support and waste management and remediation services	17,990	230	284	1,238	-953	713	254	190
Administrative and support services	17,073	-66	-18	858	-875	703	244	180
Waste management and remediation services	916	297	302	380	-78	11	10	9
Educational services	425	158	167	182	-14	124	43	35
Health care and social assistance	3,594	644	645	769	-124	716	250	244
Offices of health practitioners and outpatient care centers	* 3,023	* 574	* 573	* 628	* -55	* 608	* 213	* 210
Miscellaneous health care and social assistance	546	19	20	d	d	d	d	d
Hospitals, nursing, and residential care facilities	* 25	* 52	* 52	d	d	d	d	d
Arts, entertainment, and recreation	1,574	-313	-289	222	-510	175	60	46
Amusement, gambling, and recreation industries	773	-271	-247	57	-304	43	15	14
Other arts, entertainment, and recreation	801	-42	-42	165	-206	132	45	32
Accommodation and food services	10,776	73	239	1,125	-887	1,081	378	179
Accommodation	498	-468	-452	109	-561	80	28	28
Food services and drinking places	10,279	541	691	1,016	-325	1,001	350	151
Other services	3,193	249	270	400	-131	380	132	112
Repair and maintenance	2,425	73	76	137	-61	124	43	32
Personal and laundry services	769	176	194	263	-69	256	89	80
Nature of business not allocable	* 0	* -16	* -16	* 0	* -16	* 0	* 0	* 0

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

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

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

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2009**

[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)
<b>All foreign-controlled domestic corporations</b>	<b>66,197</b>	<b>25,158</b>	<b>18,745</b>	<b>10,461,430</b>	<b>2,219,651</b>	<b>3,518,194</b>	<b>3,147,948</b>	<b>3,487,675</b>
<b>AGE OF CORPORATION</b>								
Old corporations:								
Number or amount	52,134	21,175	15,971	9,698,559	1,998,905	3,251,555	2,903,081	3,216,467
Percentage of all corporations	78.8	84.2	85.2	92.7	90.1	92.4	92.2	92.2
New corporations:								
Number or amount	14,062	3,983	2,774	762,871	220,747	266,639	244,868	271,208
Percentage of all corporations	21.2	15.8	14.8	7.3	9.9	7.6	7.8	7.8
<b>SELECTED COUNTRY OF FOREIGN OWNER</b>								
Selected countries, total	58,842	22,559	17,315	10,397,473	2,204,873	3,481,034	3,112,373	3,448,494
Percentage of all countries	88.9	89.7	92.4	99.4	99.3	98.9	98.9	98.9
Selected countries:								
Australia	1,199	468	393	147,765	36,802	49,245	44,771	47,147
Austria	695	261	244	11,585	4,040	14,206	13,995	14,071
Belgium	425	176	130	74,231	15,678	44,893	44,328	45,597
Bermuda	857	385	82	115,874	31,370	42,636	34,768	44,241
Brazil	1,192	959	905	24,138	7,952	22,674	22,287	23,239
British Virgin Islands [1]	3,081	992	451	28,543	6,054	24,181	22,894	24,421
Canada	9,799	3,894	2,943	1,270,686	371,166	312,798	272,046	310,702
Cayman Islands	1,959	398	365	71,049	33,193	28,634	24,161	29,930
China	1,695	600	386	9,895	3,003	8,153	7,741	8,306
China (Taiwan)	1,332	320	175	15,866	4,298	23,374	22,876	23,670
Colombia	831	161	161	2,308	893	1,074	1,063	1,316
Cyprus	98	d	d	5,862	698	7,653	7,496	7,947
Denmark	364	135	107	19,499	6,417	20,850	20,478	20,698
Finland	60	36	35	21,361	11,040	16,233	14,898	16,215
Former Soviet Union [2]	568	23	22	15,388	8,005	9,617	9,185	10,883
France	2,586	821	584	1,070,090	287,925	234,797	188,998	224,490
Germany	3,861	1,718	1,418	1,177,929	249,609	354,193	312,302	349,467
Gibraltar	60	d	d	32,011	-6,109	6,793	6,420	8,233
Hong Kong	636	395	292	15,479	2,836	11,941	11,550	11,995
Hungary	58	23	19	14,120	4,824	12,330	11,906	11,242
India	1,167	684	669	17,313	3,304	19,261	19,160	19,342
Ireland	581	234	169	156,844	48,126	47,918	41,716	47,789
Isles of Man, Jersey, and Guernsey	252	98	89	17,333	4,848	5,748	5,235	5,257
Israel	1,243	525	465	56,139	14,566	28,771	27,264	28,750
Italy	1,623	402	328	59,454	22,100	34,041	32,671	34,934
Japan	6,072	2,101	1,637	870,546	216,237	532,761	508,621	527,864
Luxembourg	477	136	112	104,860	35,085	41,089	37,683	42,447
Mexico	1,505	821	441	27,991	11,153	26,147	25,163	28,158
Netherlands	1,645	1,050	765	984,305	145,926	280,091	237,510	278,169
Netherlands Antilles	323	162	132	16,355	8,635	8,310	7,877	8,893
New Zealand	86	50	45	16,588	4,544	6,055	5,903	5,893
Norway	273	66	64	23,428	7,601	14,456	14,072	15,074
Panama	1,056	291	198	16,339	7,101	6,231	5,897	6,064
Puerto Rico	30	d	d	11,821	952	925	183	1,405
Saudi Arabia	79	38	3	15,948	6,230	12,059	11,492	12,273
Singapore	216	50	47	29,139	17,803	13,108	12,974	13,452
South Korea, Republic of	1,631	400	263	45,756	10,531	77,509	75,769	77,858
Spain	1,213	530	483	233,345	41,524	39,161	29,660	43,279
Sweden	503	259	219	52,587	9,511	48,984	46,983	48,456
Switzerland	1,345	522	471	1,131,194	100,633	236,000	204,355	219,949
United Kingdom	5,553	2,008	1,678	2,350,826	406,040	728,506	640,737	721,401
Venezuela	613	361	321	15,683	2,729	27,628	27,285	27,977

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2009—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)
<b>All foreign-controlled domestic corporations</b>	<b>2,204,868</b>	<b>30,519</b>	<b>36,431</b>	<b>152,727</b>	<b>-116,296</b>	<b>105,152</b>	<b>37,783</b>	<b>28,271</b>
<b>AGE OF CORPORATION</b>								
Old corporations:								
Number or amount	2,045,491	35,088	40,102	139,518	-99,417	96,381	34,707	25,484
Percentage of all corporations	92.8	115.0	110.1	91.4	85.5	91.7	91.9	90.1
New corporations:								
Number or amount	159,377	-4,569	-3,670	13,209	-16,879	8,771	3,076	2,787
Percentage of all corporations	7.2	-15.0	-10.1	8.6	14.5	8.3	8.1	9.9
<b>SELECTED COUNTRY OF FOREIGN OWNER</b>								
Selected countries, total	2,180,121	32,540	38,427	151,489	-113,061	104,298	37,489	27,996
Percentage of all countries	98.9	106.6	105.5	99.2	97.2	99.2	99.2	99.0
Selected countries:								
Australia	24,808	2,098	2,147	5,105	-2,958	3,299	1,157	153
Austria	10,386	136	140	483	-344	361	126	123
Belgium	29,800	-704	-664	1,932	-2,597	1,799	633	487
Bermuda	21,583	-1,605	-1,663	3,451	-5,114	1,662	588	314
Brazil	20,239	-565	-559	394	-953	140	50	48
British Virgin Islands [1]	17,182	-240	-232	764	-996	527	181	178
Canada	192,786	2,096	1,925	14,512	-12,587	7,289	2,627	2,215
Cayman Islands	15,904	-1,296	-1,233	2,260	-3,493	909	323	239
China	6,109	-153	-134	270	-404	249	86	69
China (Taiwan)	20,692	-296	-297	389	-686	294	102	82
Colombia	865	-242	-242	5	-247	2	0	0
Cyprus	7,261	-294	-294	d	d	d	d	d
Denmark	13,864	152	161	760	-599	680	238	217
Finland	11,270	18	49	324	-274	239	85	81
Former Soviet Union [2]	9,106	-1,267	-1,208	284	-1,492	227	79	22
France	127,393	10,307	11,080	16,683	-5,603	11,085	4,010	3,039
Germany	200,994	4,725	5,002	16,431	-11,429	7,755	2,767	2,397
Gibraltar	5,109	-1,440	-1,439	d	d	d	d	d
Hong Kong	9,766	-55	-55	271	-325	156	55	44
Hungary	8,068	1,088	1,406	1,447	-41	1,428	501	323
India	11,811	-81	-81	547	-628	406	149	148
Ireland	24,651	129	173	2,213	-2,040	1,677	592	512
Isles of Man, Jersey, and Guernsey	1,435	491	509	1,002	-493	942	330	208
Israel	20,034	21	44	1,134	-1,090	748	262	211
Italy	21,390	-893	-840	1,201	-2,041	936	329	282
Japan	387,621	4,897	5,233	15,586	-10,354	12,174	4,245	3,670
Luxembourg	25,921	-1,358	-1,209	1,604	-2,813	973	347	242
Mexico	17,377	-2,011	-1,959	852	-2,811	654	226	225
Netherlands	149,997	1,922	3,535	12,388	-8,854	10,360	3,645	2,402
Netherlands Antilles	3,766	-583	-581	140	-721	113	39	35
New Zealand	4,638	162	162	300	-139	136	47	45
Norway	10,314	-618	-615	315	-930	276	101	97
Panama	4,290	167	173	275	-102	229	80	49
Puerto Rico	50	-480	-483	d	d	d	d	d
Saudi Arabia	9,877	-213	-215	97	-311	96	70	66
Singapore	9,596	-344	-331	154	-484	115	40	35
South Korea, Republic of	66,931	-349	-295	1,196	-1,491	515	179	146
Spain	18,074	-4,118	-4,298	872	-5,170	647	264	253
Sweden	35,517	529	555	1,556	-1,000	1,004	360	339
Switzerland	118,331	16,051	16,371	20,204	-3,833	13,012	4,681	4,163
United Kingdom	458,820	7,105	9,040	24,001	-14,961	21,107	7,871	4,813
Venezuela	26,495	-349	-351	26	-376	21	5	5

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

[1] Includes domestic corporations with owners from Tortola, Anegada, Jost Van Dykes, and Virgin Gorda.

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

NOTES: "New" corporations were those with dates of incorporation between 2007 and 2010; "old" corporations were those with dates of incorporation prior to 2007 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, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009**

[Money amounts are in millions of dollars]

Selected industries by control status	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)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,647</b>	<b>2,198</b>	<b>2,054</b>	<b>9,150,848</b>	<b>4,044,094</b>	<b>5,106,754</b>	<b>35,553</b>
Mining	83	41	37	181,422	58,894	122,528	42
Utilities	32	10	10	116,052	15,899	100,153	0
Manufacturing	1,317	762	714	2,035,325	793,027	1,242,298	3,479
Food manufacturing	104	74	68	71,326	18,983	52,343	48
Petroleum and coal products manufacturing	20	14	14	571,726	294,286	277,440	740
Chemical manufacturing	170	121	114	320,789	103,978	216,811	333
Nonmetallic mineral product manufacturing	54	24	24	104,792	17,840	86,952	671
Machinery manufacturing	149	83	78	105,515	45,194	60,321	61
Computer and electronic product manufacturing	129	74	65	177,152	51,722	125,431	784
Transportation equipment manufacturing	216	91	81	379,630	161,006	218,624	494
Wholesale and retail trade	1,082	698	659	572,632	290,560	282,072	4,619
Wholesale trade	1,006	658	622	513,890	269,905	243,985	4,224
Wholesale trade, durable goods	658	400	378	314,109	190,025	124,084	3,618
Wholesale trade, nondurable goods	347	258	244	199,782	79,880	119,902	606
Retail trade	76	40	37	58,742	20,655	38,087	395
Food, beverage and liquor stores	8	5	5	20,438	3,763	16,674	0
Transportation and warehousing	100	36	35	66,700	11,840	54,859	236
Information	129	81	70	270,351	39,621	230,730	3,696
Telecommunications [3]	44	29	24	146,295	11,638	134,657	876
Finance and insurance	310	208	201	4,555,380	2,138,245	2,417,135	12,177
Securities, commodity contracts, and other financial investments and related activities	97	65	59	2,394,908	1,582,056	812,853	322
Insurance carriers and related activities	129	85	86	1,756,993	333,336	1,423,657	173
Professional, scientific, and technical services	213	157	143	147,389	41,834	105,555	100
Management of companies (holding companies)	77	37	31	988,455	602,257	386,198	456
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>12,528</b>	<b>8,320</b>	<b>7,919</b>	<b>44,722,131</b>	<b>17,812,349</b>	<b>26,909,782</b>	<b>570,742</b>
Mining	201	89	87	580,559	118,894	461,665	1,563
Utilities	147	78	78	1,375,865	218,760	1,157,104	6
Manufacturing	2,537	1,673	1,524	7,322,847	2,401,041	4,921,806	75,473
Food manufacturing	281	227	216	694,574	364,501	330,073	125
Petroleum and coal products manufacturing	38	27	30	1,287,887	397,620	890,267	28,127
Chemical manufacturing	307	233	212	1,361,685	333,020	1,028,665	32,017
Nonmetallic mineral product manufacturing	55	33	31	73,191	12,612	60,579	37
Machinery manufacturing	191	129	120	301,850	119,411	182,438	1,141
Computer and electronic product manufacturing	348	200	162	767,504	279,088	488,417	2,139
Transportation equipment manufacturing	177	100	99	716,357	326,464	389,893	732
Wholesale and retail trade	2,969	2,245	2,119	1,916,482	701,372	1,215,110	901
Wholesale trade	1,824	1,428	1,378	924,764	314,185	610,579	305
Wholesale trade, durable goods	761	534	519	181,699	99,962	81,736	137
Wholesale trade, nondurable goods	1,062	893	859	742,783	214,101	528,682	168
Retail trade	1,145	817	740	991,718	387,188	604,530	596
Food, beverage and liquor stores	179	145	126	95,202	32,985	62,218	3
Transportation and warehousing	380	227	205	489,602	101,793	387,809	3,474
Information	517	309	271	1,915,682	366,316	1,549,366	1,046
Telecommunications [3]	160	103	94	1,207,557	188,189	1,019,368	54
Finance and insurance	1,749	1,184	1,182	13,958,185	4,588,834	9,369,351	7,542
Securities, commodity contracts, and other financial investments and related activities	157	97	89	3,715,484	2,193,800	1,521,684	9
Insurance carriers and related activities	791	555	556	6,766,685	1,521,767	5,244,918	2,252
Professional, scientific, and technical services	829	578	533	367,264	154,518	212,746	577
Management of companies (holding companies)	1,290	757	799	15,791,737	8,893,449	6,898,288	479,299

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	Liabilities			Net worth			
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from shareholders		Total	Appropriated	Unappropriated
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>4,262,038</b>	<b>3,231,978</b>	<b>157,101</b>	<b>1,656,832</b>	<b>-145,713</b>	<b>8,104</b>	<b>-153,816</b>
Mining	33,894	72,287	3,106	75,241	18,505	205	18,300
Utilities	26,306	62,417	2,098	27,329	-7,901	1	-7,902
Manufacturing	730,184	737,297	60,394	567,844	-76,853	630	-77,483
Food manufacturing	20,513	31,454	8,792	19,359	-207	[2]	-208
Petroleum and coal products manufacturing	317,037	121,309	1	133,380	11,138	251	10,887
Chemical manufacturing	105,677	131,681	17,117	83,431	22,583	9	22,574
Nonmetallic mineral product manufacturing	15,114	67,370	366	22,308	-10,524	14	-10,538
Machinery manufacturing	32,863	35,118	1,427	37,535	-4,682	20	-4,702
Computer and electronic product manufacturing	42,585	71,292	18,273	63,276	-81,322	148	-81,470
Transportation equipment manufacturing	122,938	134,538	3,251	122,154	9,463	27	9,435
Wholesale and retail trade	215,657	171,108	8,577	185,867	15,181	79	15,103
Wholesale trade	199,292	146,876	8,400	167,723	20,768	78	20,690
Wholesale trade, durable goods	134,110	83,681	5,862	96,317	14,599	73	14,527
Wholesale trade, nondurable goods	65,182	63,195	2,538	71,405	6,168	5	6,163
Retail trade	16,365	24,232	177	18,144	-5,586	[2]	-5,587
Food, beverage and liquor stores	4,922	10,729	82	4,787	-6,690	0	-6,690
Transportation and warehousing	12,213	37,003	5,228	17,483	-8,742	31	-8,774
Information	51,299	101,180	33,240	117,872	-30,130	168	-30,298
Telecommunications [3]	19,566	46,908	26,635	79,822	-19,237	0	-19,237
Finance and insurance	2,450,250	1,652,663	20,775	452,467	-15,880	6,864	-22,744
Securities, commodity contracts, and other financial investments and related activities	1,606,142	686,885	12,046	101,882	-32,155	320	-32,475
Insurance carriers and related activities	672,491	771,284	1,229	313,218	17,207	6,544	10,664
Professional, scientific, and technical services	42,526	40,212	2,590	64,651	-11,682	66	-11,749
Management of companies (holding companies)	651,940	236,320	1,466	100,195	-349	12	-361
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>20,391,298</b>	<b>14,228,379</b>	<b>559,881</b>	<b>10,102,453</b>	<b>3,242,937</b>	<b>121,708</b>	<b>3,121,228</b>
Mining	86,144	233,500	228	260,915	104,332	177	104,155
Utilities	191,549	835,774	6	348,542	17,263	2,432	14,831
Manufacturing	2,081,194	2,728,469	56,942	2,513,184	1,254,618	4,268	1,250,350
Food manufacturing	355,759	151,974	538	186,840	80,866	72	80,794
Petroleum and coal products manufacturing	253,340	358,950	26,472	675,597	484,707	472	484,235
Chemical manufacturing	316,733	494,627	6,545	550,325	319,977	44	319,933
Nonmetallic mineral product manufacturing	7,082	19,100	2	47,009	10,801	2,377	8,424
Machinery manufacturing	74,702	138,923	2,045	88,225	60,376	36	60,340
Computer and electronic product manufacturing	217,619	197,586	1,575	352,300	31,657	77	31,580
Transportation equipment manufacturing	322,716	389,004	1,089	4,638	-50,676	28	-50,704
Wholesale and retail trade	548,908	534,296	2,257	833,278	536,132	3,935	532,197
Wholesale trade	231,048	234,486	1,141	459,230	292,470	3,781	288,689
Wholesale trade, durable goods	56,838	48,607	816	76,253	32,831	62	32,769
Wholesale trade, nondurable goods	174,098	185,771	326	382,913	259,552	3,719	255,833
Retail trade	317,860	299,810	1,115	374,048	243,662	154	243,508
Food, beverage and liquor stores	39,183	30,054	361	25,966	25,606	8	25,598
Transportation and warehousing	104,448	265,191	2,789	119,964	22,829	11	22,818
Information	409,190	852,161	1,770	654,332	-164,050	147	-164,197
Telecommunications [3]	229,895	607,879	690	369,782	-117,857	14	-117,871
Finance and insurance	6,326,596	5,553,204	19,342	2,078,384	653,949	101,707	552,243
Securities, commodity contracts, and other financial investments and related activities	1,986,510	1,232,742	182	496,231	88,469	230	88,239
Insurance carriers and related activities	2,721,960	2,657,724	3,380	1,387,000	672,081	99,608	572,473
Professional, scientific, and technical services	127,080	106,636	593	133,547	-28,527	329	-28,856
Management of companies (holding companies)	10,302,479	2,607,043	473,202	2,882,215	801,385	5,896	795,489

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	Receipts						
	Total	Business receipts	Interest [1]	Rents	Royalties	Dividends received from:	
						Domestic corporations	Foreign corporations
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,074,385</b>	<b>2,748,983</b>	<b>163,575</b>	<b>7,149</b>	<b>15,473</b>	<b>3,489</b>	<b>9,040</b>
Mining	65,837	61,442	612	113	100	79	435
Utilities	45,719	43,663	461	105	0	23	9
Manufacturing	1,331,924	1,270,694	13,854	2,264	6,201	576	5,376
Food manufacturing	76,360	75,421	127	16	108	4	25
Petroleum and coal products manufacturing	408,712	400,174	994	521	216	126	1,368
Chemical manufacturing	200,087	183,023	821	174	3,249	269	2,299
Nonmetallic mineral product manufacturing	41,035	39,614	444	34	32	14	131
Machinery manufacturing	67,296	64,180	1,119	188	209	1	185
Computer and electronic product manufacturing	106,592	98,528	926	64	785	7	839
Transportation equipment manufacturing	200,557	188,067	6,731	404	561	119	68
Wholesale and retail trade	816,045	794,989	3,391	1,228	3,252	583	362
Wholesale trade	725,936	706,874	3,112	969	3,027	563	332
Wholesale trade, durable goods	458,277	445,338	2,489	716	1,635	74	255
Wholesale trade, nondurable goods	267,658	261,537	623	253	1,392	489	77
Retail trade	90,109	88,115	279	259	226	21	30
Food, beverage and liquor stores	41,787	41,300	28	195	0	0	0
Transportation and warehousing	46,571	43,709	419	147	0	12	26
Information	96,818	85,108	2,361	155	4,025	94	199
Telecommunications [3]	42,154	36,350	1,661	8	184	7	129
Finance and insurance	396,785	248,655	95,661	1,271	35	1,804	236
Securities, commodity contracts, and other financial investments and related activities	101,549	37,586	52,062	356	29	162	112
Insurance carriers and related activities	271,734	199,891	33,171	840	4	1,635	106
Professional, scientific, and technical services	72,971	67,177	323	58	982	66	420
Management of companies (holding companies)	67,555	11,350	44,879	1,216	31	118	1,657
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>12,832,392</b>	<b>10,734,515</b>	<b>1,055,701</b>	<b>73,033</b>	<b>138,105</b>	<b>17,146</b>	<b>125,168</b>
Mining	214,123	184,929	2,543	2,397	1,072	169	4,107
Utilities	529,398	498,838	4,774	2,075	53	71	326
Manufacturing	4,026,484	3,559,129	102,570	23,532	91,077	2,085	101,965
Food manufacturing	344,136	333,100	2,929	373	1,960	123	1,137
Petroleum and coal products manufacturing	1,050,615	971,334	10,440	920	736	303	36,203
Chemical manufacturing	581,836	458,972	6,369	288	31,500	772	47,533
Nonmetallic mineral product manufacturing	23,756	21,741	74	20	950	247	73
Machinery manufacturing	179,085	165,644	3,109	1,244	2,679	16	1,309
Computer and electronic product manufacturing	458,167	407,454	4,367	1,559	35,222	96	3,480
Transportation equipment manufacturing	484,723	442,618	10,039	5,930	5,440	65	3,267
Wholesale and retail trade	2,847,897	2,772,455	13,156	3,998	9,913	3,373	5,225
Wholesale trade	1,114,536	1,086,705	6,726	1,813	4,042	3,283	2,149
Wholesale trade, durable goods	268,691	263,487	912	556	610	13	373
Wholesale trade, nondurable goods	845,451	822,831	5,813	1,254	3,432	3,270	1,776
Retail trade	1,733,361	1,685,750	6,430	2,185	5,871	90	3,075
Food, beverage and liquor stores	247,539	243,142	507	257	1,623	17	10
Transportation and warehousing	369,594	355,272	1,715	1,169	1,679	75	628
Information	755,818	654,524	13,746	10,232	22,033	522	2,437
Telecommunications [3]	404,763	359,103	10,168	9,433	6,456	192	591
Finance and insurance	2,235,122	1,516,265	462,662	10,224	824	9,144	4,156
Securities, commodity contracts, and other financial investments and related activities	167,107	103,387	36,438	102	124	333	1,227
Insurance carriers and related activities	1,707,197	1,347,818	181,929	9,573	74	8,565	2,203
Professional, scientific, and technical services	289,653	278,115	3,000	379	1,822	49	840
Management of companies (holding companies)	770,163	182,300	444,469	15,738	282	1,568	3,069

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	Deductions						
	Total	Cost of goods sold	Compensation of officers	Salaries and wages	Interest paid	Taxes paid	Depreciation
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,038,912</b>	<b>1,950,064</b>	<b>11,640</b>	<b>216,909</b>	<b>133,638</b>	<b>39,330</b>	<b>97,819</b>
Mining	64,601	31,962	149	2,993	3,029	981	5,396
Utilities	49,772	25,172	125	2,268	2,443	1,681	4,825
Manufacturing	1,310,310	962,484	3,041	72,010	33,868	13,871	44,748
Food manufacturing	74,077	50,733	291	3,602	1,817	748	2,203
Petroleum and coal products manufacturing	404,191	354,566	140	6,794	1,907	2,884	5,802
Chemical manufacturing	183,382	103,834	564	17,820	6,671	2,543	6,133
Nonmetallic mineral product manufacturing	44,807	27,694	126	2,678	2,069	852	3,369
Machinery manufacturing	67,175	47,517	300	5,333	1,905	855	1,765
Computer and electronic product manufacturing	104,024	68,592	336	11,083	2,674	1,200	2,502
Transportation equipment manufacturing	202,761	146,391	359	6,744	8,892	1,408	14,961
Wholesale and retail trade	810,336	649,650	1,788	38,541	7,772	6,437	19,913
Wholesale trade	720,935	588,521	1,628	29,968	6,583	4,985	17,294
Wholesale trade, durable goods	461,518	377,105	961	19,757	3,485	2,925	13,927
Wholesale trade, nondurable goods	259,417	211,417	667	10,211	3,098	2,060	3,367
Retail trade	89,400	61,129	159	8,573	1,189	1,451	2,619
Food, beverage and liquor stores	41,460	30,082	41	3,813	530	651	1,414
Transportation and warehousing	47,347	17,594	165	8,468	1,818	1,357	2,294
Information	92,244	30,749	432	13,375	8,313	1,487	5,305
Telecommunications [3]	38,404	12,881	114	3,873	4,099	593	3,533
Finance and insurance	386,157	140,344	4,207	34,454	48,142	4,979	6,870
Securities, commodity contracts, and other financial investments and related activities	89,025	253	3,231	17,996	33,106	1,647	1,024
Insurance carriers and related activities	270,784	139,564	855	14,523	6,927	3,072	1,256
Professional, scientific, and technical services	69,840	21,683	795	16,919	2,067	3,344	1,450
Management of companies (holding companies)	74,677	1,871	177	7,907	20,600	1,152	2,198
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>12,463,211</b>	<b>6,659,786</b>	<b>51,966</b>	<b>1,234,550</b>	<b>764,181</b>	<b>242,170</b>	<b>431,256</b>
Mining	212,478	101,125	1,594	9,355	10,444	5,259	21,101
Utilities	527,486	280,534	1,487	22,105	29,293	19,454	57,451
Manufacturing	3,833,349	2,605,563	12,509	253,103	164,415	65,492	115,989
Food manufacturing	331,120	242,602	1,029	14,277	9,833	3,213	7,787
Petroleum and coal products manufacturing	988,528	876,730	584	17,819	14,555	20,121	11,793
Chemical manufacturing	498,346	263,178	2,134	49,465	20,050	6,954	17,063
Nonmetallic mineral product manufacturing	23,512	15,503	207	1,145	910	315	1,286
Machinery manufacturing	177,675	113,417	1,019	16,830	6,231	2,055	7,426
Computer and electronic product manufacturing	432,542	254,742	2,108	65,060	8,614	7,277	17,728
Transportation equipment manufacturing	502,849	343,477	1,013	20,162	19,180	6,698	18,055
Wholesale and retail trade	2,758,305	2,098,248	7,695	239,230	29,130	38,553	49,756
Wholesale trade	1,087,671	900,776	4,664	59,784	11,936	10,281	15,795
Wholesale trade, durable goods	262,010	206,155	1,724	21,123	3,210	2,775	3,828
Wholesale trade, nondurable goods	825,282	694,622	2,937	38,433	8,719	7,481	11,962
Retail trade	1,670,634	1,197,471	3,031	179,445	17,194	28,272	33,961
Food, beverage and liquor stores	242,582	179,590	298	24,130	1,482	3,887	5,474
Transportation and warehousing	366,912	78,506	1,315	75,364	10,644	12,260	24,767
Information	716,293	127,273	4,241	118,904	43,038	21,130	64,877
Telecommunications [3]	393,129	58,983	1,271	52,517	27,826	12,734	47,722
Finance and insurance	2,183,486	975,911	7,299	181,345	262,923	31,731	21,924
Securities, commodity contracts, and other financial investments and related activities	142,790	10,159	2,544	32,034	30,812	3,286	2,444
Insurance carriers and related activities	1,662,254	964,134	3,291	129,884	53,669	25,541	15,304
Professional, scientific, and technical services	279,265	104,706	4,602	67,951	6,541	7,860	6,124
Management of companies (holding companies)	799,840	4,203	4,630	109,348	176,814	12,781	27,111

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	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)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>35,473</b>	<b>6,770</b>	<b>40,330</b>	<b>122,249</b>	<b>-81,920</b>	<b>40,199</b>	<b>38,083</b>
Mining	1,236	285	1,519	8,312	-6,793	519	456
Utilities	-4,053	0	-4,057	167	-4,223	74	55
Manufacturing	21,614	3,693	25,292	47,252	-21,960	8,050	7,548
Food manufacturing	2,283	11	2,293	2,618	-325	689	686
Petroleum and coal products manufacturing	4,521	1,304	5,824	7,245	-1,420	113	20
Chemical manufacturing	16,705	1,156	17,858	18,944	-1,086	2,350	2,156
Nonmetallic mineral product manufacturing	-3,773	24	-3,749	461	-4,210	89	49
Machinery manufacturing	121	132	253	1,894	-1,641	257	256
Computer and electronic product manufacturing	2,568	375	2,942	5,524	-2,582	2,589	2,565
Transportation equipment manufacturing	-2,204	36	-2,170	2,575	-4,745	334	223
Wholesale and retail trade	5,710	338	6,034	17,017	-10,983	3,848	3,399
Wholesale trade	5,001	332	5,319	15,590	-10,271	3,212	2,780
Wholesale trade, durable goods	-3,241	277	-2,968	5,040	-8,009	1,367	1,324
Wholesale trade, nondurable goods	8,241	55	8,287	10,549	-2,262	1,845	1,456
Retail trade	709	6	715	1,427	-712	636	619
Food, beverage and liquor stores	328	1	328	639	-311	260	260
Transportation and warehousing	-776	10	-767	580	-1,347	263	254
Information	4,574	192	4,762	6,577	-1,815	2,958	2,873
Telecommunications [3]	3,750	17	3,767	4,068	-301	2,047	2,041
Finance and insurance	10,629	810	9,925	28,089	-18,164	21,994	21,264
Securities, commodity contracts, and other financial investments and related activities	12,524	255	12,627	16,629	-4,002	11,825	11,743
Insurance carriers and related activities	950	494	284	10,412	-10,128	6,990	6,346
Professional, scientific, and technical services	3,131	194	3,325	6,027	-2,702	1,310	1,263
Management of companies (holding companies)	-7,122	1,085	-6,390	3,694	-10,084	243	147
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>369,181</b>	<b>141,608</b>	<b>483,563</b>	<b>781,529</b>	<b>-297,967</b>	<b>77,973</b>	<b>66,742</b>
Mining	1,645	2,645	4,284	15,828	-11,544	1,672	1,541
Utilities	1,912	355	2,182	17,848	-15,666	2,034	1,956
Manufacturing	193,134	85,938	278,442	348,370	-69,927	24,495	22,607
Food manufacturing	13,016	3,832	16,832	17,500	-668	631	532
Petroleum and coal products manufacturing	62,087	29,397	91,419	96,749	-5,330	4,495	4,261
Chemical manufacturing	83,489	16,504	99,938	103,048	-3,110	4,189	3,428
Nonmetallic mineral product manufacturing	243	94	335	1,154	-819	672	475
Machinery manufacturing	1,410	2,608	3,961	7,740	-3,779	296	283
Computer and electronic product manufacturing	25,626	14,967	40,439	48,274	-7,836	5,373	5,288
Transportation equipment manufacturing	-18,127	2,971	-15,168	18,024	-33,192	5,352	5,288
Wholesale and retail trade	89,593	8,217	97,461	106,491	-9,030	4,955	2,431
Wholesale trade	26,866	3,615	30,329	33,820	-3,491	3,645	1,193
Wholesale trade, durable goods	6,681	454	7,120	9,417	-2,297	638	628
Wholesale trade, nondurable goods	20,169	3,161	23,193	24,387	-1,194	3,008	565
Retail trade	62,727	4,602	67,133	72,671	-5,539	1,310	1,238
Food, beverage and liquor stores	4,958	5	4,943	5,309	-366	32	16
Transportation and warehousing	2,681	282	2,933	10,782	-7,849	618	558
Information	39,525	3,700	43,070	61,109	-18,039	12,412	11,899
Telecommunications [3]	11,635	622	12,207	21,047	-8,840	8,474	8,318
Finance and insurance	51,637	29,478	63,298	120,787	-57,489	21,548	16,777
Securities, commodity contracts, and other financial investments and related activities	24,317	2,647	26,632	29,587	-2,955	7,497	7,274
Insurance carriers and related activities	44,943	25,767	55,554	75,029	-19,475	13,312	9,009
Professional, scientific, and technical services	10,389	1,006	11,348	18,034	-6,686	3,450	3,435
Management of companies (holding companies)	-29,677	7,713	-29,926	44,106	-74,032	2,046	863

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	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)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>90,154</b>	<b>32,597</b>	<b>31,513</b>	<b>1,061</b>	<b>9,066</b>	<b>7,562</b>	<b>23,529</b>
Mining	7,856	2,817	2,749	67	1,426	1,398	1,391
Utilities	111	40	39	[2]	15	0	25
Manufacturing	39,424	14,339	13,762	573	5,144	4,366	9,194
Food manufacturing	1,929	684	673	12	29	18	655
Petroleum and coal products manufacturing	7,213	3,021	2,524	497	2,439	2,382	582
Chemical manufacturing	16,601	5,818	5,805	13	1,638	1,197	4,180
Nonmetallic mineral product manufacturing	408	145	142	3	23	18	122
Machinery manufacturing	1,637	572	570	2	133	89	439
Computer and electronic product manufacturing	2,936	1,032	1,026	5	327	252	705
Transportation equipment manufacturing	2,323	799	796	3	115	61	684
Wholesale and retail trade	13,208	4,636	4,608	28	555	258	4,079
Wholesale trade	12,412	4,348	4,330	17	524	236	3,822
Wholesale trade, durable goods	3,675	1,289	1,277	12	103	54	1,185
Wholesale trade, nondurable goods	8,737	3,058	3,053	6	421	182	2,637
Retail trade	796	289	278	11	32	21	257
Food, beverage and liquor stores	379	137	133	4	11	7	126
Transportation and warehousing	325	115	113	1	13	12	102
Information	3,619	1,311	1,266	42	87	49	1,224
Telecommunications [3]	2,021	744	707	37	43	39	701
Finance and insurance	13,396	5,030	4,710	317	557	348	4,473
Securities, commodity contracts, and other financial investments and related activities	4,822	1,827	1,706	121	138	65	1,689
Insurance carriers and related activities	8,128	3,007	2,845	158	390	259	2,616
Professional, scientific, and technical services	4,762	1,675	1,663	12	252	186	1,423
Management of companies (holding companies)	3,841	1,357	1,344	9	830	821	526
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>723,255</b>	<b>254,638</b>	<b>252,746</b>	<b>1,814</b>	<b>97,770</b>	<b>84,981</b>	<b>156,847</b>
Mining	14,159	5,163	4,955	208	3,310	3,198	1,853
Utilities	16,326	5,807	5,712	95	569	130	5,238
Manufacturing	328,052	115,284	114,772	478	65,351	59,981	49,907
Food manufacturing	16,875	5,903	5,900	4	1,173	1,061	4,730
Petroleum and coal products manufacturing	92,264	32,634	32,292	343	31,394	30,245	1,246
Chemical manufacturing	98,860	34,654	34,595	56	13,259	12,142	21,397
Nonmetallic mineral product manufacturing	487	171	170	2	53	46	118
Machinery manufacturing	7,449	2,607	2,604	3	1,120	1,024	1,487
Computer and electronic product manufacturing	42,894	15,035	15,011	23	7,759	6,606	7,241
Transportation equipment manufacturing	16,801	5,905	5,878	12	1,511	1,069	4,394
Wholesale and retail trade	103,665	36,253	36,241	28	5,145	4,370	31,107
Wholesale trade	32,281	11,274	11,273	15	2,057	1,720	9,218
Wholesale trade, durable goods	8,781	3,062	3,061	6	266	201	2,796
Wholesale trade, nondurable goods	23,485	8,207	8,206	9	1,791	1,520	6,416
Retail trade	71,384	24,979	24,969	13	3,089	2,650	21,890
Food, beverage and liquor stores	5,277	1,845	1,844	[2]	56	2	1,789
Transportation and warehousing	10,166	3,561	3,555	6	456	337	3,105
Information	54,737	19,270	19,181	81	5,000	3,987	14,270
Telecommunications [3]	18,433	6,472	6,450	23	957	621	5,515
Finance and insurance	102,475	36,283	35,465	803	6,091	5,133	30,192
Securities, commodity contracts, and other financial investments and related activities	22,096	7,843	7,835	5	1,090	1,031	6,753
Insurance carriers and related activities	64,756	22,844	22,176	657	4,367	3,606	18,477
Professional, scientific, and technical services	14,585	5,129	5,095	34	1,108	864	4,021
Management of companies (holding companies)	44,254	15,668	15,605	51	8,192	5,067	7,476

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	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				
	(43)	(44)	(45)	(46)	(47)		
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>60.27</b>	<b>56.32</b>	<b>46.58</b>	<b>35.32</b>	<b>18.11</b>	<b>452.31</b>	<b>33.60</b>
Mining	49.40	44.58	18.68	39.84	41.47	141.12	36.29
Utilities	31.25	31.25	22.67	53.78	23.55	324.65	39.40
Manufacturing	57.86	54.21	35.88	36.23	27.90	258.43	65.44
Food manufacturing	71.15	65.38	28.76	44.10	27.14	268.44	107.06
Petroleum and coal products manufacturing	70.00	70.00	55.45	21.22	23.33	328.64	71.49
Chemical manufacturing	71.18	67.06	32.94	41.05	26.01	284.50	62.37
Nonmetallic mineral product manufacturing	44.44	44.44	14.42	64.29	21.29	369.75	39.16
Machinery manufacturing	55.70	52.35	31.15	33.28	35.57	181.11	63.78
Computer and electronic product manufacturing	57.36	50.39	24.04	40.24	35.72	179.97	60.17
Transportation equipment manufacturing	42.13	37.50	32.38	35.44	32.18	210.78	52.83
Wholesale and retail trade	64.51	60.91	37.66	29.88	32.46	208.09	142.51
Wholesale trade	65.41	61.83	38.78	28.58	32.64	206.39	141.26
Wholesale trade, durable goods	60.79	57.45	42.70	26.64	30.66	226.12	145.90
Wholesale trade, nondurable goods	74.35	70.32	32.63	31.63	35.74	179.79	133.98
Retail trade	52.63	48.68	27.86	41.25	30.89	223.75	153.40
Food, beverage and liquor stores	62.50	62.50	24.08	52.50	23.42	326.95	204.46
Transportation and warehousing	36.00	35.00	18.31	55.48	26.21	281.51	69.82
Information	62.79	54.26	18.97	37.43	43.60	129.36	35.81
Telecommunications [3]	65.91	54.55	13.37	32.06	54.56	83.28	28.81
Finance and insurance	67.10	64.84	53.79	36.28	9.93	906.79	8.71
Securities, commodity contracts, and other financial investments and related activities	67.01	60.82	67.06	28.68	4.25	2,250.67	4.24
Insurance carriers and related activities	65.89	66.67	38.28	43.90	17.83	460.95	15.47
Professional, scientific, and technical services	73.71	67.14	28.85	27.28	43.86	127.98	49.51
Management of companies (holding companies)	48.05	40.26	65.96	23.91	10.14	886.53	6.83
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>66.41</b>	<b>63.21</b>	<b>45.60</b>	<b>31.82</b>	<b>22.59</b>	<b>342.69</b>	<b>28.69</b>
Mining	44.28	43.28	14.84	40.22	44.94	122.51	36.88
Utilities	53.06	53.06	13.92	60.75	25.33	294.75	38.48
Manufacturing	65.94	60.07	28.42	37.26	34.32	191.38	54.99
Food manufacturing	80.78	76.87	51.22	21.88	26.90	271.75	49.55
Petroleum and coal products manufacturing	71.05	78.95	19.67	27.87	52.46	90.63	81.58
Chemical manufacturing	75.90	69.06	23.26	36.32	40.42	147.43	42.73
Nonmetallic mineral product manufacturing	60.00	56.36	9.68	26.10	64.23	55.70	32.46
Machinery manufacturing	67.54	62.83	24.75	46.02	29.23	242.14	59.33
Computer and electronic product manufacturing	57.47	46.55	28.35	25.74	45.90	117.86	59.70
Transportation equipment manufacturing	56.50	55.93	45.05	54.30	0.65	15,345.39	67.67
Wholesale and retail trade	75.61	71.37	28.64	27.88	43.48	129.99	148.60
Wholesale trade	78.29	75.55	24.98	25.36	49.66	101.37	120.52
Wholesale trade, durable goods	70.17	68.20	31.28	26.75	41.97	138.28	147.88
Wholesale trade, nondurable goods	84.09	80.89	23.44	25.01	51.55	93.98	113.82
Retail trade	71.35	64.63	32.05	30.23	37.72	165.13	174.78
Food, beverage and liquor stores	81.01	70.39	41.16	31.57	27.27	266.64	260.01
Transportation and warehousing	59.74	53.95	21.33	54.16	24.50	308.12	75.49
Information	59.77	52.42	21.36	44.48	34.16	192.77	39.45
Telecommunications [3]	64.38	58.75	19.04	50.34	30.62	226.56	33.52
Finance and insurance	67.70	67.58	45.33	39.78	14.89	571.59	16.01
Securities, commodity contracts, and other financial investments and related activities	61.78	56.69	53.47	33.18	13.36	648.74	4.50
Insurance carriers and related activities	70.16	70.29	40.23	39.28	20.50	387.86	25.23
Professional, scientific, and technical services	69.72	64.29	34.60	29.04	36.36	175.01	78.87
Management of companies (holding companies)	58.68	61.94	65.24	16.51	18.25	447.90	4.88

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	Percentage—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)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>								
<b>All industries</b>	<b>70.94</b>	<b>4.35</b>	<b>0.39</b>	<b>2.14</b>	<b>1.15</b>	<b>0.44</b>	<b>2.43</b>	<b>1.31</b>
Mining	52.02	4.60	0.68	1.64	1.88	0.84	2.02	2.31
Utilities	57.65	5.34	-3.49	-14.83	-8.87	-3.50	-14.85	-8.87
Manufacturing	75.74	2.54	1.06	3.81	1.62	1.24	4.45	1.90
Food manufacturing	67.27	2.38	3.20	11.79	2.99	3.21	11.84	3.00
Petroleum and coal products manufacturing	88.60	0.47	0.79	3.39	1.11	1.02	4.37	1.42
Chemical manufacturing	56.73	3.33	5.21	20.02	8.35	5.57	21.40	8.93
Nonmetallic mineral product manufacturing	69.91	5.04	-3.60	-16.91	-9.19	-3.58	-16.81	-9.14
Machinery manufacturing	74.04	2.83	0.11	0.32	0.18	0.24	0.67	0.38
Computer and electronic product manufacturing	69.62	2.51	1.45	4.06	2.41	1.66	4.65	2.76
Transportation equipment manufacturing	77.84	4.43	-0.58	-1.80	-1.10	-0.57	-1.78	-1.08
Wholesale and retail trade	81.72	0.95	1.00	3.07	0.70	1.05	3.25	0.74
Wholesale trade	83.26	0.91	0.97	2.98	0.69	1.04	3.17	0.73
Wholesale trade, durable goods	84.68	0.76	-1.03	-3.36	-0.71	-0.94	-3.08	-0.65
Wholesale trade, nondurable goods	80.84	1.16	4.12	11.54	3.08	4.15	11.61	3.10
Retail trade	69.37	1.32	1.21	3.91	0.79	1.22	3.94	0.79
Food, beverage and liquor stores	72.84	1.27	1.60	6.85	0.78	1.60	6.85	0.78
Transportation and warehousing	40.25	3.90	-1.16	-4.44	-1.67	-1.15	-4.39	-1.65
Information	36.13	8.59	1.69	3.88	4.72	1.76	4.04	4.92
Telecommunications [3]	35.44	9.72	2.56	4.70	8.90	2.57	4.72	8.94
Finance and insurance	56.44	12.13	0.23	2.35	2.68	0.22	2.19	2.50
Securities, commodity contracts, and other financial investments and related activities	0.67	32.60	0.52	12.29	12.33	0.53	12.39	12.43
Insurance carriers and related activities	69.82	2.55	0.05	0.30	0.35	0.02	0.09	0.10
Professional, scientific, and technical services	32.28	2.83	2.12	4.84	4.29	2.26	5.14	4.56
Management of companies (holding companies)	16.48	30.49	-0.72	-7.11	-10.54	-0.65	-6.38	-9.46
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>								
<b>All industries</b>	<b>62.04</b>	<b>5.96</b>	<b>0.83</b>	<b>3.65</b>	<b>2.88</b>	<b>1.08</b>	<b>4.79</b>	<b>3.77</b>
Mining	54.68	4.88	0.28	0.63	0.77	0.74	1.64	2.00
Utilities	56.24	5.53	0.14	0.55	0.36	0.16	0.63	0.41
Manufacturing	73.21	4.08	2.64	7.68	4.80	3.80	11.08	6.92
Food manufacturing	72.83	2.86	1.87	6.97	3.78	2.42	9.01	4.89
Petroleum and coal products manufacturing	90.26	1.39	4.82	9.19	5.91	7.10	13.53	8.70
Chemical manufacturing	57.34	3.45	6.13	15.17	14.35	7.34	18.16	17.18
Nonmetallic mineral product manufacturing	71.31	3.83	0.33	0.52	1.02	0.46	0.71	1.41
Machinery manufacturing	68.47	3.48	0.47	1.60	0.79	1.31	4.49	2.21
Computer and electronic product manufacturing	62.52	1.88	3.34	7.27	5.59	5.27	11.48	8.83
Transportation equipment manufacturing	77.60	3.96	-2.53	-390.84	-3.74	-2.12	-327.04	-3.13
Wholesale and retail trade	75.68	1.02	4.67	10.75	3.15	5.09	11.70	3.42
Wholesale trade	82.89	1.07	2.91	5.85	2.41	3.28	6.60	2.72
Wholesale trade, durable goods	78.24	1.19	3.68	8.76	2.49	3.92	9.34	2.65
Wholesale trade, nondurable goods	84.42	1.03	2.72	5.27	2.39	3.12	6.06	2.74
Retail trade	71.03	0.99	6.33	16.77	3.62	6.77	17.95	3.87
Food, beverage and liquor stores	73.86	0.60	5.21	19.09	2.00	5.19	19.04	2.00
Transportation and warehousing	22.10	2.88	0.55	2.23	0.73	0.60	2.44	0.79
Information	19.45	5.69	2.06	6.04	5.23	2.25	6.58	5.70
Telecommunications [3]	16.43	6.87	0.96	3.15	2.87	1.01	3.30	3.02
Finance and insurance	64.36	11.76	0.37	2.48	2.31	0.45	3.05	2.83
Securities, commodity contracts, and other financial investments and related activities	9.83	18.44	0.65	4.90	14.55	0.72	5.37	15.94
Insurance carriers and related activities	71.53	3.14	0.66	3.24	2.63	0.82	4.01	3.25
Professional, scientific, and technical services	37.65	2.26	2.83	7.78	3.59	3.09	8.50	3.92
Management of companies (holding companies)	2.31	22.96	-0.19	-1.03	-3.85	-0.19	-1.04	-3.89

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2009

Statistics of Income Bulletin | Summer 2012

**Table 4. "Old, Large" Domestic Corporations: Foreign-Controlled Corporations Compared to Other Corporations: Selected Items and Percentages, by Selected Industries, Tax Year 2009—Continued**

[Money amounts are in millions of dollars]

Selected industries by control status	Percentage—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)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>31.15</b>	<b>0.99</b>	<b>5.44</b>	<b>2.93</b>	<b>0.26</b>	<b>1.42</b>	<b>0.77</b>
Mining	5.49	4.33	10.44	11.93	0.77	1.85	2.11
Utilities	32.93	0.10	0.41	0.24	0.02	0.09	0.05
Manufacturing	15.97	1.94	6.94	2.96	0.45	1.62	0.69
Food manufacturing	26.20	2.70	9.96	2.53	0.92	3.38	0.86
Petroleum and coal products manufacturing	0.28	1.26	5.41	1.76	0.10	0.44	0.14
Chemical manufacturing	11.38	5.18	19.90	8.30	1.30	5.01	2.09
Nonmetallic mineral product manufacturing	10.63	0.39	1.83	0.99	0.12	0.55	0.30
Machinery manufacturing	13.52	1.55	4.36	2.43	0.42	1.17	0.65
Computer and electronic product manufacturing	46.43	1.66	4.64	2.75	0.40	1.11	0.66
Transportation equipment manufacturing	8.66	0.61	1.90	1.16	0.18	0.56	0.34
Wholesale and retail trade	19.97	2.31	7.11	1.62	0.71	2.19	0.50
Wholesale trade	17.83	2.42	7.40	1.71	0.74	2.28	0.53
Wholesale trade, durable goods	26.27	1.17	3.82	0.80	0.38	1.23	0.26
Wholesale trade, nondurable goods	13.80	4.37	12.24	3.26	1.32	3.69	0.99
Retail trade	43.38	1.36	4.39	0.88	0.44	1.42	0.29
Food, beverage and liquor stores	40.69	1.85	7.92	0.91	0.62	2.63	0.30
Transportation and warehousing	43.79	0.49	1.86	0.70	0.15	0.58	0.22
Information	43.68	1.34	3.07	3.74	0.45	1.04	1.26
Telecommunications [3]	50.17	1.38	2.53	4.79	0.48	0.88	1.66
Finance and insurance	75.70	0.29	2.96	3.38	0.10	0.99	1.13
Securities, commodity contracts, and other financial investments and related activities	70.62	0.20	4.73	4.75	0.07	1.66	1.66
Insurance carriers and related activities	60.95	0.46	2.59	2.99	0.15	0.84	0.96
Professional, scientific, and technical services	20.96	3.23	7.37	6.53	0.97	2.20	1.95
Management of companies (holding companies)	3.98	0.39	3.83	5.69	0.05	0.52	0.78
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>8.54</b>	<b>1.62</b>	<b>7.16</b>	<b>5.64</b>	<b>0.35</b>	<b>1.55</b>	<b>1.22</b>
Mining	9.74	2.44	5.43	6.61	0.32	0.71	0.87
Utilities	10.96	1.19	4.68	3.08	0.38	1.50	0.99
Manufacturing	6.49	4.48	13.05	8.15	0.68	1.99	1.24
Food manufacturing	3.04	2.43	9.03	4.90	0.68	2.53	1.37
Petroleum and coal products manufacturing	4.40	7.16	13.66	8.78	0.10	0.18	0.12
Chemical manufacturing	3.33	7.26	17.96	16.99	1.57	3.89	3.68
Nonmetallic mineral product manufacturing	41.16	0.67	1.04	2.05	0.16	0.25	0.50
Machinery manufacturing	3.66	2.47	8.44	4.16	0.49	1.69	0.83
Computer and electronic product manufacturing	10.95	5.59	12.18	9.36	0.94	2.06	1.58
Transportation equipment manufacturing	29.34	2.35	362.25	3.47	0.61	94.74	0.91
Wholesale and retail trade	2.28	5.41	12.44	3.64	1.62	3.73	1.09
Wholesale trade	3.53	3.49	7.03	2.90	1.00	2.01	0.83
Wholesale trade, durable goods	6.67	4.83	11.52	3.27	1.54	3.67	1.04
Wholesale trade, nondurable goods	2.32	3.16	6.13	2.78	0.86	1.68	0.76
Retail trade	1.70	7.20	19.08	4.12	2.21	5.85	1.26
Food, beverage and liquor stores	0.30	5.54	20.32	2.13	1.88	6.89	0.72
Transportation and warehousing	5.18	2.08	8.47	2.75	0.63	2.59	0.84
Information	19.47	2.86	8.37	7.24	0.74	2.18	1.89
Telecommunications [3]	39.52	1.53	4.98	4.55	0.46	1.49	1.36
Finance and insurance	13.89	0.73	4.93	4.58	0.22	1.45	1.35
Securities, commodity contracts, and other financial investments and related activities	24.59	0.59	4.45	13.22	0.18	1.36	4.04
Insurance carriers and related activities	12.01	0.96	4.67	3.79	0.27	1.33	1.08
Professional, scientific, and technical services	19.05	3.97	10.92	5.04	1.09	3.01	1.39
Management of companies (holding companies)	1.96	0.28	1.54	5.75	0.05	0.26	0.97

[1] Excludes nontaxable interest received on State and local government obligations, which totaled \$27.4 billion for "old, large" domestic corporations not foreign-controlled, and \$2.0 billion for "old, large" foreign-controlled domestic corporations.

[2] Less than \$500,000.

[3] Includes paging, cellular, satellite, cable and other program distribution, resellers, and other telecommunications.

NOTES: "Old" corporations are those with dates of incorporation prior to 2007 or with unknown dates of incorporation. "Large" corporations are those with total assets of \$250 million or more and/or with business receipts of \$50 million or more (total receipts were used in lieu of business receipts for the finance and insurance and management of companies sectors). Industries shown in this table are those sectors and major groups with at least \$40 billion of total receipts by foreign-controlled domestic corporations. 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 the table were calculated using rounded data. Detail may not add to totals because of rounding.