

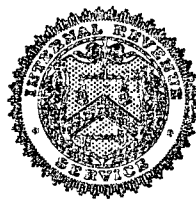
STATISTICS OF INCOME . . . 1961

Supplemental Report

FOREIGN TAX CREDIT

Claimed on

CORPORATION INCOME TAX RETURNS



Also includes data on

WESTERN HEMISPHERE TRADE
CORPORATION RETURNS

U.S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

Supplemental Report
STATISTICS OF INCOME

1961

Foreign Tax Credit

claimed on

Corporation

INCOME TAX
RETURNS

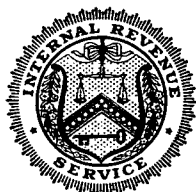
with accounting periods ended
July 1961-June 1962

Also includes data on

WESTERN HEMISPHERE TRADE
CORPORATION RETURNS

U.S. Treasury Department

INTERNAL
REVENUE
SERVICE



*Prepared under the direction of the
Commissioner of Internal Revenue
by the Statistics Division*

Publication No. 479 (3-67)

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This report was prepared under the direction of Norman Adler, Supervisory Statistician in the Income, Finance, and Wealth Branch, assisted by Joseph A. Schiffrin and other members of the staff.

Other branches of the Statistics Division assisted in development of the sample design and the computer systems design, the preparation of processing procedures, and the post-tabulation review of the data. Statistical and computer processing of the data were conducted by the service centers at Ogden, Utah; Kansas City, Missouri; Lawrence, Massachusetts; and Chamblee, Georgia.

Letter of Transmittal

Treasury Department,
Office of Commissioner of Internal Revenue,
Washington, D. C., February 23, 1967.

Dear Mr. Secretary:

I am transmitting *Statistics of Income--1961, Supplemental Report on Foreign Tax Credit Claimed on Corporation Income Tax Returns*. This report also includes data on the Western Hemisphere trade corporation deduction. It is submitted in partial fulfillment of the requirements of section 6108 of the Internal Revenue Code of 1954, which provides that statistics be published with respect to the operation of the income tax laws.

The statistics in this report were obtained from the returns and schedules filed by corporations for accounting periods ended July 1961 through June 1962. The report contains summary information for the 4,427 returns on which corporation taxpayers claimed a foreign tax credit for income year 1961 as well as the more detailed statistics for the 3,821 returns for which supporting statements, Form 1118, were also filed. It contains information on the foreign taxable income, foreign taxes paid, and foreign tax credit claimed by United States corporations. Statistics are furnished for the geographic areas and countries in which foreign income was earned and to which taxes were paid. Classifications of the statistics show the industries and various size measures of the corporations claiming the foreign tax credit as well as the limitation method under which the credit was computed.

This report also includes summary information for the 608 Western Hemisphere trade corporation returns, and foreign tax credit data for those Western Hemisphere trade corporations that claimed a foreign tax credit. The Western Hemisphere trade corporation deduction data were obtained from the taxpayer's Form 1120, schedule I. The statistics are also classified to show the industries and various size measures of the firms taking the deduction.

Since the data were obtained from returns submitted for 1961, they do not reflect the extensive changes pertaining to the taxation of foreign income in the Revenue Act of 1962.



Commissioner of Internal Revenue.

Hon. Henry F. Fowler,
Secretary of the Treasury.

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***Foreign Tax Credit
Claimed on
Corporation Income
Tax Returns, 1961***

Where the foreign income comes from:

Asia.....\$945,000,000

Europe.....\$864,000,000

Latin American
Republics....\$753,000,000

Canada.....\$652,000,000

Oceania.....\$103,000,000

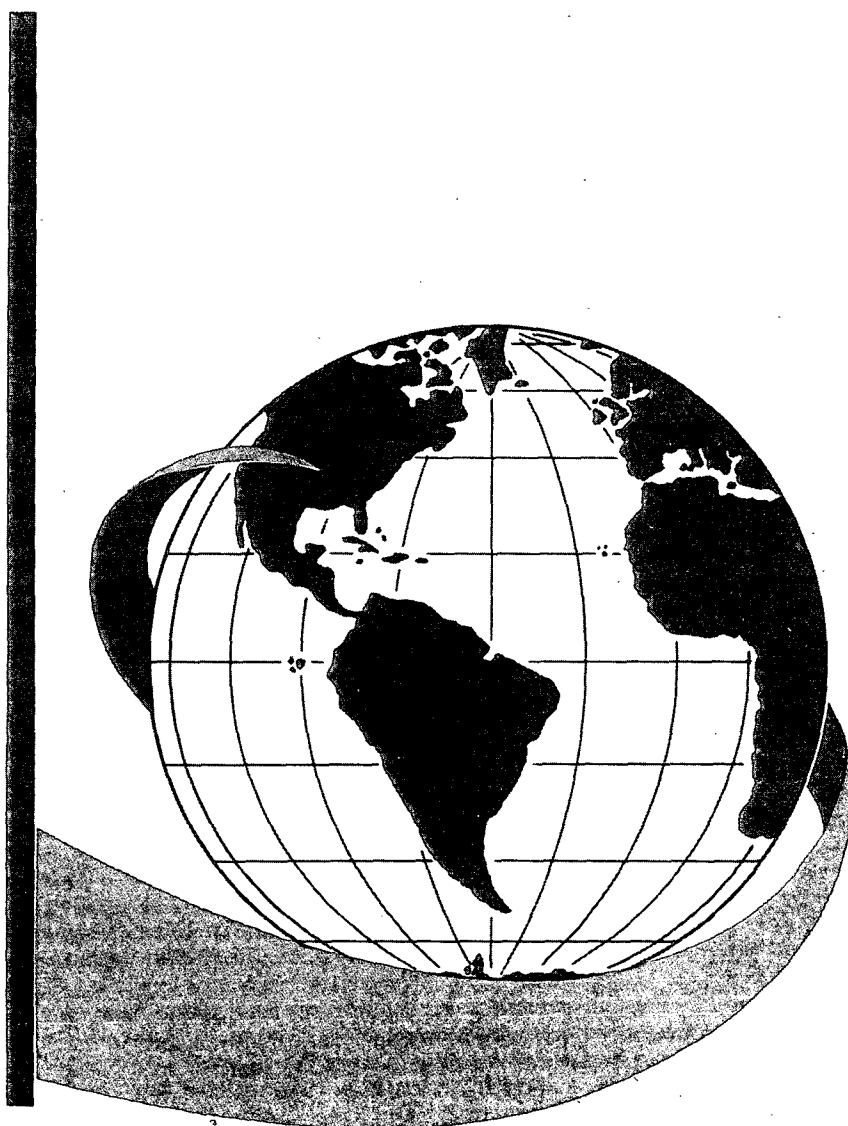
Africa.....\$90,000,000

Other Western
Hemisphere...\$77,000,000

Puerto Rico and U. S.
Possessions ..\$15,000,000

Other.....\$95,000,000

Total.. \$3,595,000,000



As reported on the supporting statements Form 1118
filed with corporation returns for 1961.

Foreign Tax Credit Claimed on Corporation Returns

INTRODUCTION

Since the United States tax law generally imposes the income tax on income derived from all sources, income earned from without the country is subject to taxation by both the United States and the foreign country or United States possession in which income was earned. In order to alleviate the consequences of this double taxation, the Internal Revenue Code provides a credit from income tax or an alternative deduction from gross income for foreign taxes paid or accrued. Taxpayers usually choose the foreign tax credit rather than the deduction because this usually results in a lower combined total of United States and foreign taxes.

Creditable Taxes

Two categories of foreign taxes are creditable: (1) income, war profits, and excess profits taxes and (2) taxes in lieu of income and profits taxes sometimes imposed under foreign law upon particular firms or industries. As discussed below, creditable taxes include those paid to the foreign country or United States possession by the domestic corporation as well as those paid indirectly through its foreign subsidiaries. The foreign tax must have "income" as its base, essentially as defined under the United States tax law, although the foreign law under which the tax was imposed need not be identical to the United States law in respect to determination of gross income, exemptions, and deductions.

A United States citizen, wherever resident, a domestic corporation, and a United States trust or estate are generally allowed a credit for the amount of any income, war profits and excess profits taxes paid or accrued during the taxable year to any foreign country or possession of the United States. In the case of a resident of the United States or an individual who is a bona fide resident of Puerto Rico during the entire taxable year, a credit will be allowed for the amount of any such taxes paid or accrued during the taxable year to any possession of the United States. An alien resident of the United States or an alien individual who is a bona fide resident of Puerto Rico during the entire taxable year may also claim a credit for the amount of creditable taxes paid or accrued during the taxable year to any foreign country, if the foreign country of which such alien resident is a citizen or subject, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country.

However, the following may not credit foreign taxes: (1) China Trade Act corporations entitled to the benefits of section 941 of the Code; (2) citizens and corporations deriving substantially all their income from United States possessions entitled to the benefits of section 931 of the Code; and (3) regulated investment companies in any year in which they elect to pass on to their shareholders the credit for foreign taxes paid.

Limitations on the Tax Credit

The credit which may be taken in any year is limited so that the taxpayer pays the higher of the United States or foreign tax rate on his foreign taxable income. Taxes additional to those paid to the foreign country are due under the Internal Revenue Code when the United States tax rate is higher than the foreign rate. Taxpayers consider use of two alternative limitations in computing the tax credit: (1) the per-country limitation and (2) the overall limitation. Under the per-country limitation, the credit is computed separately for the income derived from and taxes paid to each country or United States possession. Under the overall limitation, the credit is determined upon the total amounts of income earned from, and taxes paid to, all foreign countries and possessions. When the foreign taxes paid or accrued and the taxes deemed to have been paid exceed either the per-country or overall limitation, the excess tax may be carried back to the 2 preceding years and then carried forward to the 5 succeeding years. Foreign taxes against which the limitation is compared consist of three components: taxes paid or accrued, taxes deemed to have been paid, and the tax carryover or carryback.

In addition to receiving credit for "taxes paid or accrued" or direct taxes paid on earnings in a foreign country, a domestic corporation owning 10 percent or more of the voting stock of a foreign corporation (defined as a "related foreign corporation") may also receive an indirect credit for a share of the taxes paid or accrued by the related foreign corporation when it receives dividends from that corporation. Such taxes are "taxes deemed to have been paid" by the domestic corporation and are derived in the following manner:

$$\frac{\text{Accumulated profits distributed}}{\text{Total gains, profits, and income}} \times \text{Foreign taxes}$$

A step-by-step description of the computation is provided under Taxes deemed to have been paid in the "Explanation of Terms." Accumulated profits are the total gains, profits, or income earned abroad less foreign taxes paid or accrued. The indirect credit for taxes paid by a foreign corporation is not available to individual taxpayers.

The domestic corporation may also receive a credit for taxes paid by a subsidiary of the related foreign corporation. If the related foreign corporation owns 50 percent or more of another foreign corporation, it will have been deemed to have paid taxes through its subsidiary in a manner similar to that in which the domestic corporation is deemed to have paid taxes through the related foreign corporation. Amounts deemed to have been paid by the related foreign corporation through its subsidiary are included in foreign taxes for the computation of taxes deemed to have been paid by the domestic corporation (through the related foreign corporation).

Further discussion of these sections of the Code especially as they relate to the determination of the most advantageous form of organization under which domestic corporations may conduct foreign operations is presented under Forms of operation in the "Explanation of Terms."

Tax treaties with individual foreign countries may lessen the impact of double taxation by either reducing noncreditable foreign taxes or by rendering creditable certain taxes which otherwise would be noncreditable. Some treaties contain provisions permitting a taxpayer to credit certain foreign taxes as taxes imposed on the shareholders of foreign corporations although under the tax law the taxes are deemed to be imposed on the corporations. If the shareholder is a domestic corporation, a larger credit may result from taxes treated as direct taxes (taxes paid or accrued) than if the taxes are deemed paid through the foreign corporation.

NEW FOREIGN TAX CREDIT INFORMATION PRESENTED IN THIS SUPPLEMENTAL REPORT

The regular, annual series of *Statistics of Income--Corporation Income Tax Returns* reports provides data on the total foreign tax credit claimed on corporation returns. Most of the recent reports contain summary information from the Form 1118 which is filed in support of the foreign tax credit claimed. The report for 1960, for example, presents total taxable income from foreign sources and the total foreign taxes reported on Form 1118 classified by size of total assets, size of net income, and by industry of the domestic corporation claiming the tax credit along with some summary information from its Form 1120.

The major feature of this Supplemental Report is the geographic area data based on the foreign country to which taxes were paid. Information is presented separately for approximately 75 countries within the following geographic areas:

- Canada
- Latin American Republics
- Other Western Hemisphere
- Europe
- Africa
- Asia
- Oceania
- Puerto Rico and U. S. possessions
- Country not stated and other income from outside the United States

Also new in this report is the classification of the data by the method of limitation--per-country or overall--chosen by the corporation in computing its foreign tax credit.

The two groups of returns covered in this report are: (a) all returns with a foreign tax credit and (b) those returns with supporting statements, Form 1118. For the first group of returns, information on their United States income and taxes and the amount of foreign tax credit claimed are presented. This same information is presented for the second group of returns along with the detail underlying the foreign tax credit as reported in the taxpayer's Form 1118. The following table classifiers are used in this report:

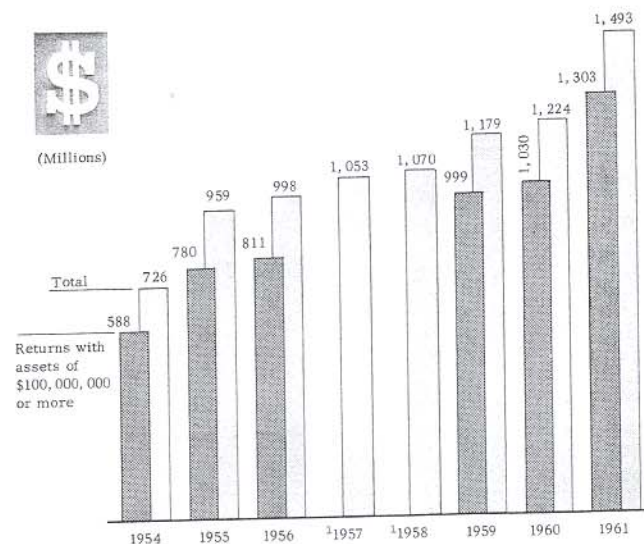
1. Industrial group or industrial division
2. Size of total assets
3. Size of net income
4. Size of United States income tax before foreign tax credit
5. Geographic area or country
6. Limitation method

Each of the above, in some instances shown as table items as well as table classifiers, is discussed in the "Explanation of Terms." With the exception of the geographic classification, determined by the foreign country to which taxes were paid, the classifications pertain to the domestic corporation and not to the foreign branch or related foreign corporation--i.e., the industrial group, size of total assets, and size of net income of the domestic corporation, and the limitation method employed by the domestic corporation.

SUMMARY OF THE DATA

The growing importance of foreign investment to American corporations is reflected in the statistics pertaining to the foreign tax credit. Over the 8-year period 1954 through 1961, the number of corporations claiming the credit rose by one-third from 3,215 to 4,427. The chart below shows that the credit claimed on the tax returns of these corporations more than doubled rising from \$726,000,000 to \$1,493,000,000. A large part of the foreign investment was held by a relatively few large domestic corporations. Over 80 percent of the total foreign tax credit claimed by corporations from 1954 through 1961 has been consistently claimed on the 30 to 450 returns showing total assets of \$100,000,000 or more. Chart 1 shows that for 1961, the 455 returns with assets of \$100,000,000 or more--10 percent of the total number of returns--claimed 87 percent of the total foreign tax credit.

Chart 1.—AMOUNT OF FOREIGN TAX CREDIT CLAIMED, 1954-1961
(All returns with foreign tax credit)

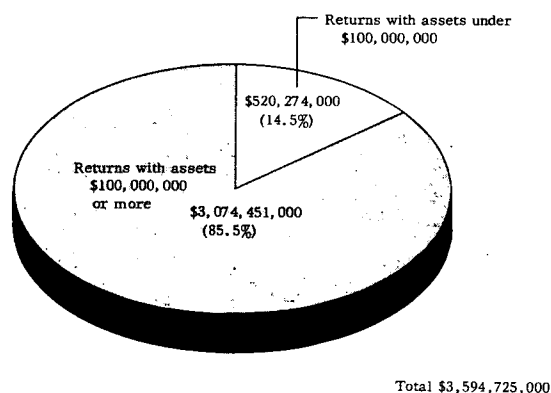


¹ Data for returns with assets of \$100,000,000 or more not tabulated for this year.

Domestic Recipient and Country of Foreign Income and Taxes

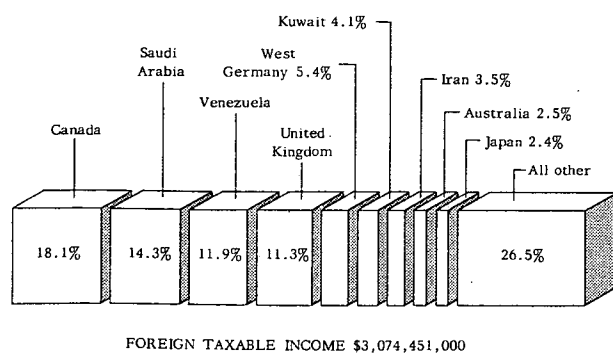
The predominant role played by large domestic corporations in foreign operations is clearly reflected in the statistics derived from the supporting statements for foreign tax credit claimed (Forms 1118) filed by 3,821 of the 4,427 firms claiming the credit. For example, chart 2 shows that the foreign taxable income reported by the 438 firms with total assets of \$100,000,000 or more amounted to \$3,074,000,000 or slightly more than 85 percent of all foreign taxable income. Although net income as an indicator of size is more volatile from year to year than total assets because the same firms may not be represented in the same net income class each year, distributions by size of net income further show the importance of large firms in total overseas operations. For example, the 28 firms reporting net income of \$100,000,000 or more reported 56 percent of total foreign taxable income in 1961.

Chart 2.—FOREIGN TAXABLE INCOME, BY ASSET SIZE, 1961
(Returns with supporting statements, Form 1118)



The large corporations with assets of \$100,000,000 or more reported receiving income from world-wide operations. However, only four countries--Canada, Saudi

Chart 3.—FOREIGN TAXABLE INCOME REPORTED ON RETURNS WITH ASSETS OF \$100,000,000 OR MORE, BY SELECTED COUNTRIES, 1961
(Returns with supporting statements, Form 1118)



Arabia, Venezuela, and the United Kingdom--accounted for over one-half of the total foreign taxable income reported by large firms. Another one-sixth of their income from foreign sources was derived from operations in Australia, Iran, Kuwait, Japan, and West Germany. The remaining amount was derived from over 65 other countries.

Although the taxable income received by all domestic corporations from these other countries was relatively small, certain countries accounted for a large portion of the total taxable income received in certain geographic areas. For example, table A shows that more than four-fifths of the total taxable income of \$90,422,000 reported earned in the African countries was earned in Liberia and the Union of South Africa. Likewise, Jamaica accounts for more than one-half of the total taxable income of \$77,005,000 reported earned in the Other Western Hemisphere category.

Along with the taxable income received from various foreign countries, table A presents the foreign taxes paid on this income, i.e., total foreign taxes excluding carryover, and the percentage that the taxes are of the

Table A.—RETURNS WITH SUPPORTING STATEMENTS, FORM 1118: FOREIGN TAXABLE INCOME, FOREIGN TAXES EXCLUDING CARRYOVER, AND PERCENT OF FOREIGN TAXES EXCLUDING CARRYOVER TO FOREIGN TAXABLE INCOME, BY GEOGRAPHIC AREAS AND FOR SELECTED COUNTRIES, 1961

Country or geographic area	Foreign taxable income (Thousand dollars) (1)	Total foreign taxes excluding carryover	
		Amount (Thousand dollars) (2)	Percent of foreign taxable income (3)
All areas, total.....	3,594,725	1,757,418	48.9
Canada.....	651,686	231,579	35.5
Latin American Republics, total.....	752,977	531,708	70.6
Mexico.....	83,339	32,847	39.4
Central America, total.....	41,368	5,615	13.6
Panama.....	35,646	3,678	10.3
All other Central American countries.....	5,722	1,937	33.8
Caribbean Republics.....	11,787	6,281	53.3
South America, total.....	616,483	486,965	79.0
Argentina.....	40,226	15,924	39.6
Brazil.....	49,967	19,164	38.3
Chile.....	83,321	84,689	101.6
Venezuela.....	388,600	338,190	87.0
All other South American countries.....	54,369	28,998	53.3
Other Western Hemisphere, total.....	77,005	28,789	37.4
Jamaica.....	39,473	8,006	20.3
All other Western Hemisphere.....	37,532	20,783	55.4
Europe, total.....	864,068	371,042	42.9
Common Market countries, total.....	377,367	161,426	42.8
Belgium.....	38,889	19,558	50.3
France.....	43,783	16,005	36.6
Italy.....	43,491	9,162	21.1
Luxembourg.....	244	11	4.5
Netherlands.....	57,073	23,689	41.5
West Germany.....	193,887	93,001	48.0
Other European countries, total.....	486,701	209,616	43.1
Sweden.....	10,441	2,360	22.6
Switzerland.....	24,044	6,831	28.4
United Kingdom.....	419,002	189,542	45.2
All other European countries.....	33,214	10,883	32.8
Africa, total.....	90,422	26,510	29.3
Liberia.....	31,365	8,422	26.8
Union of South Africa.....	43,960	13,752	31.3
All other African countries.....	15,097	4,336	28.7
Asia, total.....	945,227	501,825	53.1
India.....	13,402	10,172	75.9
Indonesia.....	19,318	9,493	49.1
Iran.....	117,895	78,212	66.3
Iraq.....	45,609	18,242	40.0
Japan.....	95,823	18,278	19.1
Kuwait.....	132,573	75,719	57.1
Philippine Republic.....	29,986	16,735	55.8
Saudi Arabia.....	438,328	251,522	57.4
All other Asian countries.....	52,293	23,452	44.8
Oceania, total.....	102,802	50,895	49.5
Australia.....	92,242	45,836	49.7
All other Oceania countries.....	10,560	5,059	47.9
Puerto Rico and U. S. Possessions.....	15,114	5,499	36.4
Other.....	95,424	9,571	10.0

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

income for each country. The effect of the limitation on the amount of foreign tax credit which a corporation may claim is that taxes are paid on income from a foreign country at the higher of the effective tax rate in that country or the United States rate. The foreign effective rate is the rate resulting if the aggregate creditable taxes paid to the foreign country are divided by taxable income from sources within that country as computed under United States law. The percentages presented in table A are the closest approximation to the tax rates in the various countries that can be derived from the statistics presented in this report. While the tax law of the foreign country and tax treaty provisions are the most important elements in arriving at these percentages, because of limitations inherent in the data they can only indicate high or low ranges.

The most important limitation is that the foreign taxable income as reported on the foreign tax credit schedule, Form 1118, is as defined by the United States Internal Revenue Code, while the foreign tax base, i.e., taxable income upon which the foreign taxes are computed, depends on the foreign concept of taxable income. For example, if the deductions allowed by the foreign country are less than those allowed by the United States, the percentage shown in table A would indicate a higher tax rate than is actually the case. The reverse would be true where deductions allowed by the foreign country are greater than those under United States law. Those corporations qualifying for the Western Hemisphere trade corporation deduction (see special section on this topic) reduce their taxable income for United States tax purposes by this special deduction, but their foreign tax base is before this deduction. Cases also arise where under United States source rules the taxpayer may have no income derived from a particular country, but that country under its source rules imposes a tax on the corporation. This has the effect of producing a higher percentage in table A for that country.

Keeping these limitations in mind, table A shows that although foreign taxes accounted for just under one-half of taxable income from all foreign sources reported by domestic corporations for 1961, this percentage varies considerably among different countries. For example, the percentages for Canada and Japan were considerably lower than 50 percent; whereas, they were considerably higher for Venezuela and Iran. For the United Kingdom, West Germany, Kuwait, Saudi Arabia, and Australia, this percentage ranged from 45 percent to 60 percent. The very high percentage for Venezuela is partially attributable to additional taxes imposed on the net income received from mining and petroleum industries. Likewise, in Chile, where the percentage is over 100, additional taxes are imposed on companies producing copper bars. This percentage is the result of very high taxes along with the fact that the foreign taxable income reported for United States purposes is subject to deductions additional to those allowed by Chile--the most important of which is the Western Hemisphere trade corporation deduction. On the other hand, the very low percentage for Panama--10 percent--reflects both that country's low tax rate and the fact that corporations organized in Panama and conducting business outside of that country pay no Panamanian corporate tax.

Industrial Activity of Domestic Corporations Operating Abroad

The industrial activity of the domestic corporation gives us some indication of the activities accounting for the major portion of the income from these foreign countries, although in some cases the foreign activity of the branch or subsidiary is different from that of the domestic corporation. For example, the foreign branches and subsidiaries of domestic firms in Manufacturing: Petroleum refining and related industries reporting taxable income from Venezuela, Iran and Kuwait were engaged in the extraction of petroleum as were those in Mining: Crude petroleum and natural gas reporting taxable income earned in Saudi Arabia. Although these foreign branches or subsidiaries were engaged in similar operations, they were classified in different industries because the classification is based upon the major portion of business receipts received by the domestic corporation.

These large integrated petroleum firms account for dominant amounts of total foreign income reported earned in certain countries. For example, table B shows that domestic firms in Petroleum refining and related industries reported more than four-fifths of the \$639,000,000 total taxable income reported earned in Venezuela, Kuwait and Iran, and more than one-third of the \$419,000,000 reported earned in the United Kingdom. Similarly, domestic firms in Crude petroleum and natural gas accounted for \$437,000,000 of the total taxable income of \$438,000,000 reported earned in Saudi Arabia.

Table B shows that generally the industrial activity of domestic corporations earning income in other countries is much more diversified, although Manufacturing firms account for a large proportion of the total foreign income. For example, Manufacturing firms account for more than two-thirds of the total taxable income reported earned in Canada and Japan. In Canada, firms in two industries, the Primary metal industry and the Insurance carriers industry, earned \$217,000,000 out of a total taxable income of \$652,000,000. Nearly one-third of the foreign taxable income earned in Japan was received by firms in the Electrical machinery, equipment, and supplies industry. More than 60 percent of the total taxable income earned in Australia and 37 percent earned in West Germany was reported by Manufacturing firms in the Motor vehicles and motor vehicle equipment industry.

Although three out of every four firms filing the foreign tax credit schedule were in the Manufacturing or Finance industries, foreign investment was most important for Mining firms. For example, foreign taxable income for the 78 firms in the Mining industrial division comprised \$600,000,000 of their total taxable income of \$757,000,000. Table C shows that the foreign tax credit claimed by these firms approximates three-fourths of their United States income tax before credit.

Although the relationship is not exact, the relative relationship between direct taxes (taxes paid or accrued) and indirect taxes (taxes deemed paid) does give an indication of the type of operation, branch or subsidiary, prevailing in certain domestic industries operating abroad.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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Table B.—RETURNS WITH SUPPORTING STATEMENTS, FORM 1118: FOREIGN TAXABLE INCOME EARNED IN SELECTED COUNTRIES, BY INDUSTRIAL DIVISION AND SELECTED MAJOR INDUSTRIAL GROUPS, 1961

Industrial division and selected major industrial groups	All countries		Canada		Saudi Arabia		United Kingdom		Venezuela	
	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total
	(Thousand dollars)		(Thousand dollars)		(Thousand dollars)		(Thousand dollars)		(Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All industrial groups.....	3,594,725	100.0	651,686	100.0	438,328	100.0	419,002	100.0	388,600	100.0
Agriculture, forestry, and fisheries.....	377	(¹)	284	(¹)	-	-	(²)	-	-	-
Mining.....	600,343	16.7	11,936	1.8	437,189	99.7	612	0.1	47,410	12.2
Crude petroleum and natural gas.....	499,177	13.9	2,131	0.3	437,189	99.7	612	0.1	15,185	3.9
All other.....	101,166	2.8	9,805	1.5	-	-	-	-	32,225	8.3
Construction.....	26,778	0.7	6,151	0.9	-	-	3,057	0.7	3,803	1.0
Manufacturing.....	2,367,934	65.9	451,823	69.3	29	(¹)	358,983	85.7	322,097	82.9
Chemicals and allied products.....	243,885	6.8	30,977	4.8	-	-	54,588	13.0	113	(¹)
Petroleum refining and related industries.....	905,599	25.2	76,696	11.8	27	(¹)	145,295	34.7	288,119	74.1
Primary metal industries.....	290,304	8.1	117,634	18.1	-	-	2,541	0.6	21,270	5.5
Motor vehicles and motor vehicle equipment.....	317,236	8.8	50,716	7.8	-	-	47,253	11.3	4,155	1.1
Electrical machinery, equipment, and supplies.....	106,696	3.0	15,450	2.4	2	(¹)	6,127	1.5	295	0.1
All other.....	504,214	14.0	160,350	24.6	-	-	103,179	24.6	8,145	2.1
Transportation, communication, electric, gas, and sanitary services.....	40,486	1.1	13,446	2.1	6	(¹)	687	0.2	868	0.2
Wholesale and retail trade.....	192,772	5.4	15,503	2.4	-	-	30,213	7.2	7,101	1.8
Finance, insurance, and real estate.....	270,355	7.5	137,560	21.1	807	0.2	18,324	4.4	6,735	1.7
Insurance carriers.....	104,574	2.9	98,978	15.2	-	-	643	0.2	1,068	0.3
All other.....	165,781	4.6	38,582	5.9	807	0.2	17,681	4.2	5,667	1.5
Services.....	95,680	2.7	14,983	2.3	297	0.1	7,126	1.7	586	0.2

Industrial division and selected major industrial groups	West Germany		Kuwait		Iran		Japan		Australia		All other	
	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total	Foreign taxable income	Percent of total
	(Thousand dollars)		(Thousand dollars)		(Thousand dollars)		(Thousand dollars)		(Thousand dollars)		(Thousand dollars)	
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
All industrial groups.....	193,887	100.0	132,573	100.0	117,895	100.0	95,823	100.0	92,242	100.0	1,064,689	100.0
Agriculture, forestry, and fisheries.....	2	(¹)	-	-	-	-	-	-	-	-	91	(¹)
Mining.....	305	0.2	6,458	4.9	14,697	12.5	326	0.3	7	(¹)	81,403	7.6
Crude petroleum and natural gas.....	294	0.2	6,458	4.9	14,697	12.5	10	(¹)	7	(¹)	22,594	2.1
All other.....	11	(¹)	-	-	-	-	316	0.3	-	-	58,809	5.5
Construction.....	381	0.2	-	-	-	-	4,047	4.2	40	(¹)	9,299	0.9
Manufacturing.....	147,617	76.1	126,115	95.1	103,199	87.5	68,651	71.6	86,737	94.1	702,683	66.0
Chemicals and allied products.....	11,950	6.2	-	-	-	-	11,570	12.1	10,243	11.1	124,444	11.7
Petroleum refining and related industries.....	14,427	7.4	126,115	95.1	104,112	88.3	1,251	1.3	157	0.2	150,320	14.1
Primary metal industries.....	873	0.5	-	-	-	-	1,886	2.0	4,998	5.4	141,102	13.3
Motor vehicles and motor vehicle equipment.....	71,782	37.0	-	-	7	(¹)	52	0.1	56,345	61.1	86,926	8.2
Electrical machinery, equipment, and supplies.....	6,623	3.4	-	-	-	-	32,336	33.7	3,232	3.5	42,631	4.0
All other.....	41,962	21.5	-	-	920	-	21,556	22.5	11,762	12.8	157,260	14.8
Transportation, communication, electric, gas, and sanitary services.....	60	(¹)	-	-	-	-	2,838	3.0	10	(¹)	22,571	2.1
Wholesale and retail trade.....	14,474	7.5	-	-	-	-	3,726	3.9	1,001	1.1	120,754	11.3
Finance, insurance, and real estate.....	9,010	4.6	-	-	31	(¹)	11,704	12.2	2,675	2.9	83,509	7.8
Insurance carriers.....	1	(¹)	-	-	-	-	493	0.5	329	-	3,420	0.3
All other.....	9,009	4.6	-	-	31	(¹)	11,211	11.7	2,704	2.9	80,089	7.5
Services.....	22,038	11.4	(¹)	-	32	-	4,531	4.7	1,772	1.9	44,379	4.2

¹Less than .05 percent.²Less than \$500.³Deficit.

NOTE: Detail may not add to total due to rounding.

Table C.—RETURNS WITH SUPPORTING STATEMENTS, FORM 1118: RATIOS OF FOREIGN TAXABLE INCOME TO INCOME SUBJECT TO UNITED STATES TAX AND OF FOREIGN TAX CREDIT TO UNITED STATES INCOME TAX BEFORE CREDIT, BY INDUSTRIAL DIVISION, 1961

Industrial division	Income subject to U. S. tax (Million dollars)	Taxable income from foreign sources		U. S. income tax before foreign tax credit (Million dollars)	Foreign tax credit claimed	
		Amount	Percent (Col. 2 + col. 1)		Amount	Percent (Col. 5 + col. 4)
		(Million dollars)	(Col. 2 + col. 1)		(Million dollars)	(Col. 5 + col. 4)
	(1)	(2)	(3)	(4)	(5)	(6)
All industrial divisions..	22,891	3,595	15.7	11,371	1,477	13.0
Agriculture, forestry, and fisheries.....	11	(¹)	(¹)	4	(¹)	(¹)
Mining.....	757	600	79.3	390	298	76.4
Construction.....	90	27	30.0	41	8	19.5
Manufacturing.....	14,429	2,368	16.4	7,360	980	13.3
Transportation, communication, electric, gas, and sanitary services.....	3,430	40	1.2	1,761	8	0.5
Wholesale and retail trade.....	783	193	24.6	386	82	21.2
Finance, insurance, and real estate.....	3,184	270	8.5	1,324	69	5.2
Services.....	207	96	46.4	105	33	31.4

¹Less than \$500,000, percent not computed.

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

One factor which affects comparison of the components of foreign taxes is the limitation of the credit to profits or income taxes. Information is not available in this report on those foreign taxes or other payments to foreign countries which do not qualify for the credit. The Mining firms, for example, are subject in some instances to noncreditable mineral royalty payments to foreign jurisdictions. In addition, provisions of tax treaties entered into between the United States and foreign countries in certain circumstances determine who is considered to have paid the foreign tax--the foreign subsidiary or the recipient of the subsidiary's dividends. Where the treaty provisions stipulate that the recipient is considered to have paid the foreign tax, the United States parent corporation is able to claim a credit for direct taxes rather than for the indirect taxes paid by its subsidiary. This will result, of course, in a larger foreign tax credit to the United States parent.

Chart 4.—PERCENT OF TAXES PAID AND ACCRUED, AND TAXES DEEMED PAID, OF TOTAL FOREIGN TAXES EXCLUDING CARRYOVER, BY SELECTED INDUSTRIES, 1961
(Returns with supporting statements, Form 1118)

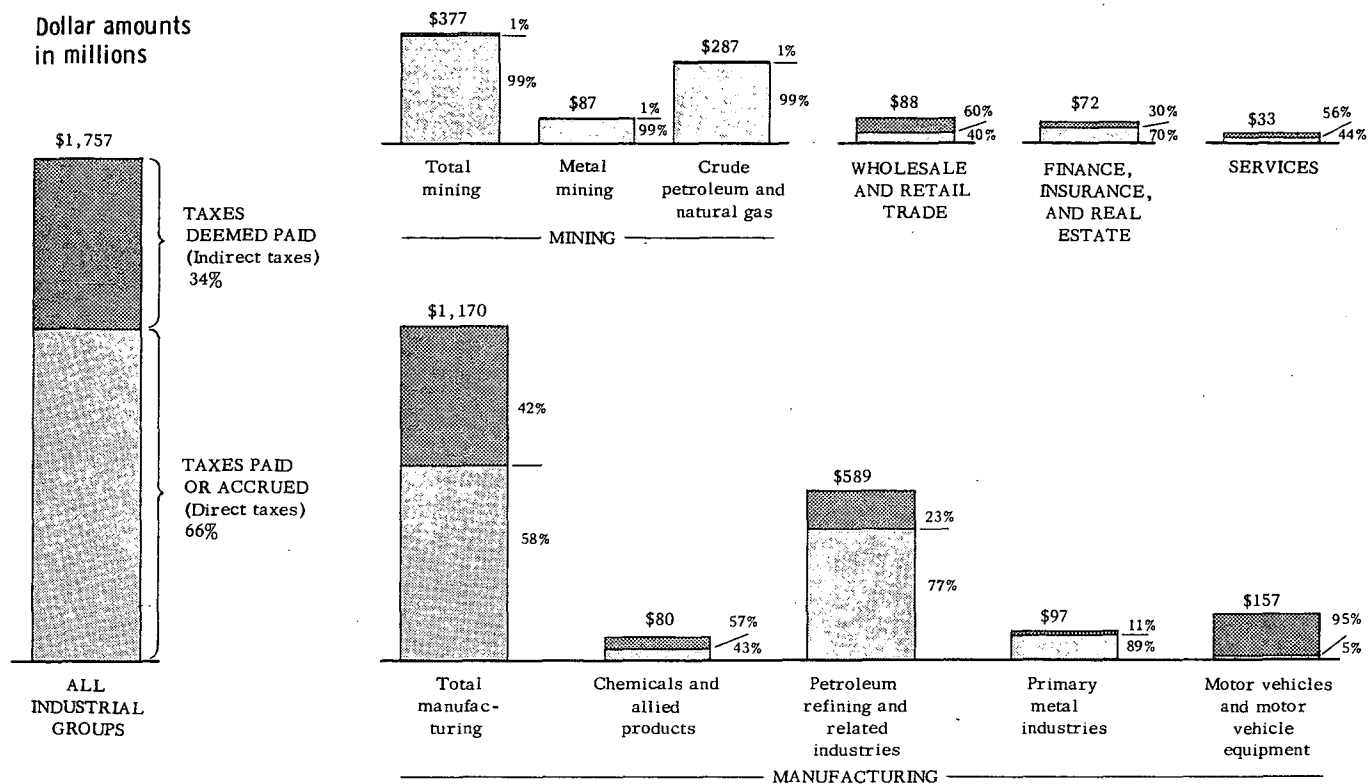


Chart 4 shows that almost all foreign taxes (excluding carryover) in the Crude petroleum and natural gas industries and more than three-fourths of the taxes in the Petroleum refining and related industries were reported as direct taxes, reflecting the importance of the branch form of operation in these industries. These two industries accounted for almost two-thirds of all direct taxes paid. Venezuela, Saudi Arabia, Iran, and Kuwait, where extensive oil and mineral extraction is carried on by firms in integrated Mining and Manufacturing activities, were the primary source of these taxes paid.

The importance of subsidiary operations for domestic corporations operating in the Motor vehicles and motor vehicle equipment industrial group and the Chemical and allied products industrial group is indicated by the 95 percent and 57 percent of current-year foreign taxes paid in indirect taxes. Firms operating in these two industrial groups paid nearly one-third of all indirect taxes. Although the indirect taxes of firms operating in the Petroleum refining industry represented less than one-fourth of all current-year foreign taxes they paid, their indirect taxes were almost one-fourth of the indirect taxes paid by all corporations. The majority of the foreign subsidiaries of domestic firms in Petroleum refining and related industries were incorporated in the United Kingdom, Canada, the Netherlands, and Iraq.

Taxpayer Use of the Per-Country and Overall Limitation Methods

Taxpayers were permitted to use the overall limitation only for taxable years beginning after December 31, 1960. Its immediate acceptance is reflected in table D--more than one-third of the foreign taxable income reported in supporting statements, Form 1118, was shown on taxpayer returns using the overall limitation. Since taxpayers using the overall limitation were not permitted to credit excess taxes for previous years when the per-country limitation was in effect, some taxpayers with large amounts of excess tax may have been precluded from choosing the overall limitation method.

The overall method was chosen by some taxpayers because a loss in a particular country would be offset by particularly high gains or profits in other countries, and the taxpayer would be enabled to credit foreign taxes paid to the "loss" country as well as to others. In contrast, under the per-country limitation, a loss in a particular country would make it impossible for the taxpayer to obtain a tax credit for foreign taxes paid to that country. A similar situation arises whenever there is any "excess credit" for a particular country. Under the overall limitation, this might be offset by what would otherwise be "excess limitation" for other countries,

Table D.—RETURNS WITH SUPPORTING STATEMENTS, FORM 1118: FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY LIMITATION METHOD AND BY INDUSTRIAL DIVISION, 1961

Industrial division	Returns using per-country limitation			Returns using overall limitation		
	Foreign taxable income	Foreign taxes	Foreign tax credit claimed	Foreign taxable income	Foreign taxes	Foreign tax credit claimed
	(Million dollars) (1)	(Million dollars) (2)	(Million dollars) (3)	(Million dollars) (4)	(Million dollars) (5)	(Million dollars) (6)
All industrial divisions.	2,212	1,803	969	1,383	529	508
Agriculture, forestry, and fisheries.....	(1)	(1)	(1)	-	-	-
Mining.....	585	528	292	15	7	6
Construction.....	21	7	6	6	2	2
Manufacturing.....	1,298	1,146	568	1,070	429	412
Transportation, communication, electric, gas, and sanitary services.....	19	5	5	21	3	3
Wholesale and retail trade.....	149	75	62	44	21	20
Finance, insurance, and real estate.....	123	39	33	147	37	36
Services.....	16	3	3	80	30	30

¹Less than \$500,000.

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

and the taxpayer is enabled to claim a credit for all of his foreign taxes.

DESCRIPTION OF THE SAMPLE

A description of the sample of corporation returns, from which foreign income and tax data were obtained, may be found in *Statistics of Income--1961-62, Corporation Income Tax Returns*. As summarized in table E, the estimate of 1,133,315 corporation returns was obtained from a stratified sample of 170,008 returns. Of the returns in the sample, 3,284 reflected taxpayer credits for foreign taxes, of which 3,015 returns contained supporting foreign tax credit statements, Form 1118. From these sample counts, the estimates of 4,427 returns with the credit and 3,821 returns with both the credit and the supporting statements, Form 1118, were derived.

As indicated in table E, the population of corporation returns was classified into sample classes. These classes are described below. Size of total assets was the major criterion for classification. Returns showing high total assets or net income or deficit (sample classes A and B) were sampled at a 100-percent rate. In addition, returns in sample class A were controlled by name.

Table E.—CORPORATION RETURNS¹—ALL RETURNS AND RETURNS WITH FOREIGN TAX CREDIT: NUMBER FILED, NUMBER IN SAMPLE, AND PRESCRIBED AND ACHIEVED SAMPLING RATES, BY SAMPLE CLASS, 1961

Sample class	All returns				Returns with foreign tax credit			
	Filed	In sample	Sampling rate		With and without foreign tax credit schedules		With foreign tax credit schedules	
			Pre-scribed	Achieved	Estimate of number filed	In sample	Estimate of number filed	In sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total...	1,133,315	170,008	-	-	4,427	3,284	3,015	3,015
A.....	12,143	12,143	1.0000	1.0000	3,160	3,160	2,928	2,928
B.....	77,133	77,133	1.0000	1.0000	1,079	111	105	81
C.....	411,482	42,483	0.1000	0.1032	165	1	1	5
D.....	579,452	28,053	0.0500	0.0484	26	0	5	1
E.....	53,105	10,196	0.2000	0.1920				

¹In addition, there were 107,116 corporation returns Form 1120-S derived from a sample of 14,824 returns. Since this return form is used by corporations qualifying for and desiring to be taxed at the shareholder level, there is no income tax liability reported on the Form 1120-S and, consequently, no foreign tax credit.

The sample classes for Forms 1120, 1120L, 1120M, and 1120-F (resident) are defined as follows:

Sample class A.--Returns with net income or deficit of \$1,000,000 or more, or total assets of \$10,000,000 or more.

Sample class B.--The following special types of returns when not included in sample class A: consolidated returns, returns with personal holding company schedules attached, life (Form 1120L) and mutual (Form 1120M) insurance company returns, returns with overpayment of tax, and returns of resident foreign corporations (Form 1120-F). In addition, other returns with both total assets of \$1,000,000 under \$10,000,000 and net income or deficit under \$1,000,000.

Sample class C.--Returns other than the special return types described under sample class B, with total assets of \$100,000 under \$1,000,000 in the case of current-year returns, and with total assets either under \$1,000,000 or not reported in the case of prior-year delinquent returns.

Sample class D.--Current-year returns, other than the special return types described under sample class B, with total reported assets greater than zero but less than \$100,000.

Sample class E.--Current-year returns, other than the special return types described under sample class B, which showed assets zero or not reported.

Although resident foreign corporations filing on Form 1120-F are included in the universe of corporation returns, these corporations are not entitled to the foreign tax credit. Consequently, data from these returns are not included in the statistics presented in this report.

LIMITATIONS OF THE DATA

General Undercoverage

A limitation, that resulted in general undercoverage of all items that underlie the foreign tax credit claimed by domestic corporations, arises from the fact that 606 taxpayers out of the 4,427 claiming a credit did not include a Form 1118 statement or its equivalent to support the credit claimed on their return. The majority of these taxpayers were small corporations with only 17 out of 455 corporations with assets of \$100,000,000 or more failing to include this statement.

In addition to the undercoverage resulting from the nonfiling of supporting statements, there is a small amount of foreign income and taxes not included in this study because a few corporations took the option permitted by the Internal Revenue Code of deducting foreign taxes from gross income in computing net income. Since this alternative results in a higher tax liability for most taxpayers, the majority preferred to compute a foreign tax credit to apply against their tax liability.

Specific Undercoverage Due to Incomplete or Abbreviated Detail

In addition to the general undercoverage explained above, there is some undercoverage of specific items

due to the reporting of incomplete or abbreviated detail on the supporting schedule.

In some instances where taxpayers' schedules were incomplete or abbreviated, a simple adjustment enabled the correct reporting of the data. In other instances, data were imputed from logical relationships with other information on the return. However, there were returns and schedules where the taxpayer entries did not reflect logical relationships between items on the Form 1118 and other information on the return. Although these returns would be checked in a subsequent audit process, the entries were statistically processed for this report as reported by the taxpayer. Undercoverage for specific items and adjustments made to these items are discussed below.

(a) Foreign income--Some taxpayers choosing the per-country limitation did not report the taxable income pertaining to a particular country because there were no eligible foreign taxes against this income for which they could claim a foreign tax credit. Where this occurred, portions of foreign income earned by domestic corporations are omitted from the statistics. Such an occurrence would not appear on those returns with the overall limitation because including all foreign income, whether eligible taxes were paid on it or not, would have the effect of increasing the ceiling which the foreign tax credit could not exceed. (See Limitation in "Explanation of Terms.")

In a few instances, the taxable income reported for a country was unadjusted for home office expenses chargeable to this income. Instead, the domestic parent corporation showed these expenses as a single deduction from its total foreign taxable income, thereby slightly overstating the foreign taxable income from a specific country.

In other instances, taxpayers reported indirect taxes without reporting dividend income from related foreign corporations. For some of these returns, the required dividend information was available from either Form 2952, "Information Return With Respect to Controlled Foreign Corporations" or the dividend schedule of the Form 1120.

(b) Foreign taxes--Some taxpayers reported only their total eligible foreign taxes without distinguishing between taxes paid or accrued and taxes deemed paid through related foreign corporations. In other cases, these two components of foreign taxes were furnished but the underlying detail showing the amounts applicable to each foreign country was missing. For a few supporting statements, the taxpayer identified the two components of total foreign taxes for each foreign country but made a deduction from the subtotal for all countries without matching the deduction to a specific country.

In some instances where data for foreign taxes were incomplete, data could be imputed from logical relationships with other information provided on the return, for example:

(1) When taxpayers indicated that they had operated in foreign countries only through branch operations, they would not have any taxes deemed paid eligible for the tax credit.

(2) When taxpayers used the per-country limitation, the amount of credit computed for a country could not

exceed the eligible taxes for that country, so that sometimes the credit amount served to indicate the tax total for that country.

(c) Carryover--The overall limitation method was made available to taxpayers for taxable years beginning after December 31, 1960. For taxpayers electing this method in 1961, the excess taxes computed under the per-country limitation in previous years could not be carried forward to 1961. Consequently, any taxpayer electing the overall limitation in 1961 should not have reported tax carryover. Nevertheless, a few returns using the overall limitation did show a small amount of tax carryover and these data are reflected in the tables.

Under the overall limitation method, the taxpayer is not required to show tax carryover by country. Therefore, this item is available by country only for those returns electing the per-country method.

No information is available in this report on foreign taxes carried back to previous years since "carrybacks" are reported only when taxpayers submit amended returns reflecting a reduction in United States income tax liability after credit. Amended returns were not included in the sample from which the statistics were drawn.

Accounting Period Covered

The foreign taxable income and foreign taxes shown in the tables do not necessarily relate to only one corporate accounting period because taxpayers earning dividend income abroad do not report this income or claim the tax credit for foreign taxes deemed paid until the dividends are received from their related foreign corporations. Therefore, part of the foreign income earned and taxes paid reported on the domestic parent's 1961 tax return may have been earned and paid by the subsidiary before 1961.

Interpreting Geographic Area Activity

Statistics shown in the report indicate country or area information as provided in taxpayers' statements which are filled out in accordance with Internal Revenue Code and Regulations. The Code and Regulations generally consider the country of the foreign corporation to be that in which it is incorporated or in which the taxpayer's branch office is headquartered. Actually, some part of the income and taxes reported by the taxpayer as arising from a particular country may have been earned through sales in, and taxes paid to, other countries in which the related foreign corporation or branch conducted business.

Relationship of Domestic Corporation Data to Geographic Area and Country Data

Certain financial statistics about the domestic parent (total assets, net income, income subject to United States tax, and United States income tax before foreign credit) are presented in the geographic area tables for each country where taxable income was reported earned. Since many firms operate in a number of countries,

these statistics only indicate the size of domestic parent with operations in a particular country and they cannot be added to any meaningful totals.

Likewise, the industrial classification used as a basis for classifying the data in this report is based on the *principal* business activity of the domestic corporation. Therefore, the industry classification may or may not accurately reflect the actual industrial activity of a foreign subsidiary or branch operating in a certain country or area. This is especially true of large integrated companies, such as those in the Petroleum refining and related industries. Although the domestic corporations in these industries may be classified on the basis of total business receipts as a Manufacturing firm, the actual operations of the foreign subsidiary or branch in such countries as Venezuela may be in the mining of crude petroleum or the distribution of the domestic corporation's product without further processing.

EXPLANATION OF TERMS

Accumulated profits

These are the gains, profits, and income of a foreign corporation in excess of the income and profits taxes imposed on such gains and profits (Code section 902(c)). In effect, then, accumulated profits are the after-foreign-tax gains and profits of related foreign corporations, reported in schedule B, Form 1118, or of their subsidiaries, reported in schedule C, Form 1118. The accumulated profits and not the total gains, profits, and income are subject to the United States tax when dividends are remitted to the domestic corporation. Therefore, only a proportionate fraction of foreign taxes paid by related foreign corporations are eligible for the domestic parent corporation's foreign tax credit. This is reflected in the computation of the credit, illustrated in the explanation for Taxes deemed to have been paid.

Carryover

This is the amount of prior years' creditable foreign taxes in excess of the limitation ("excess tax") which has been carried over and included in the amount of current-year creditable foreign taxes. Excess tax may be carried back 2 years and carried forward 5 years. It is applied against any "excess limitation" which is the amount by which the limitation exceeds creditable taxes in a given year. Excess tax is first applied against excess limitation of the second preceding year, then of the first preceding year, and then carried over to the first, second, and succeeding years through the fifth year--until fully credited or until no excess limitation is available. There is no information provided in the statistics on carrybacks because the excess tax carried back is reported only on amended returns which were not included in this study.

Taxpayers may not credit excess taxes for a year in which one method of limitation (per-country or overall) is used against excess limitation accrued in a year for which the other method is used. Consequently, those taxpayers who used the overall limitation for 1961 were not able to credit excess taxes accrued from prior years when only the per-country limitation was available.

Dividends paid by related foreign corporations

The dividends paid by a related foreign corporation, i.e., a foreign corporation in which a domestic corporation owns 10 percent or more of the voting stock, are considered as being distributed out of the foreign corporation's accumulated profits. The domestic parent corporation will include these dividends upon receipt in its income subject to United States tax.

In order to determine the foreign taxes for which the tax credit may be taken, the source of the dividends must be traced to the accumulated profits of each particular year. This the taxpayer does in schedule B of the Form 1118. Dividends are treated as having been paid from the most recently accumulated profits. Dividends paid in the first 60 days of any year are deemed to be from profits earned in the immediate preceding year.

The country where the tax was deemed to have been paid was specified in schedule B of the Form 1118 to be the country in which the related foreign corporation was incorporated. However, the foreign subsidiaries did not always conduct their entire business activities in the same country in which they were incorporated. For example, the country in which the related subsidiary was incorporated may have been merely the head office location from which business activities in nearby countries were directed. Many of the foreign related subsidiaries organized foreign subsidiaries to conduct operations for them both inside and outside the country in which the related parent was incorporated. Therefore, the tables showing information classified by the country or area where the tax was paid should be used keeping the above limitations in mind.

Not all foreign dividends qualified for the indirect tax credit for taxes deemed to have been paid. In some instances, the distributing foreign corporation did not qualify as a related foreign corporation because it was less than 10 percent owned by the domestic corporation receiving the dividends. A second example was the "liquidating distribution" covered by the capital gains provisions of the Code rather than the foreign tax credit. There were some receipts from foreign corporations which were treated as dividends paid by related foreign corporations but not identified as dividends in the income statement of the domestic return.

A special type of receipts "In lieu of dividends" was in the form of royalties paid out of the earnings and profits of wholly-owned foreign subsidiaries. These payments were treated in schedule B, Form 1118, as dividends paid from earnings of related foreign corporations. To qualify for this particular type of "In lieu of dividends," the following requirements of Code section 902(d) had to be met:

- (1) Domestic parents must have owned 100 percent of all classes of outstanding stock of the foreign corporation from which it received royalties.

- (2) The foreign corporation was engaged in manufacturing, production, or mining.

- (3) The contractual arrangement between the domestic corporation and its foreign subsidiary stipulated that the royalty payments to the domestic parent would be accepted "In lieu of dividends." The contractual arrangement further provided that the subsidiary would

not declare or pay dividends in any calendar year in which this contract was in effect.

Moreover, under Code section 905(b), recipients of royalties from sources within the United Kingdom are deemed to have paid income taxes which were deducted from the royalty by the payor (as required by United Kingdom law), provided the recipient elects to include the amount of the withheld tax in his gross income subject to United States tax. In effect then: (1) the net amount of royalties received is "grossed-up" with the United Kingdom tax when determining the taxpayer's income subject to United States tax, and (2) the full amount of taxes withheld with respect to the royalty is eligible for the foreign tax credit.

When dividends are made in kind, i.e., as distributions of property, the amount, which is treated as a distribution, is the fair market value of the property received, or if lower, the adjusted basis of the property in the hands of the distributing corporation (Code section 301). The amount used for the dividend subject to United States tax is also used in computing the indirect credit for foreign taxes deemed to have been paid.

Domestic corporations receiving dividends from foreign corporations (other than a foreign personal holding company) engaged in trade or business in the United States for an uninterrupted period of not less than 36 months prior to the payment of dividends, and deriving 50 percent or more of their gross income from within the United States, are allowed under Code section 245 an 85 percent deduction against the amount of dividends received. The deduction is that part of 85 percent of the dividend amount which the foreign corporation's gross income earned within the United States bears to its gross income from all sources. The amount of dividends in excess of the deduction is considered as from sources without the United States under Code section 861(a)(2). If these dividends are received from a related foreign corporation, the domestic corporation may claim credit for taxes deemed to have been paid.

Foreign dividends

Two measures of total foreign dividends are provided in this report. The first measure relates to foreign dividends reported in schedule C, Form 1120, which includes (a) dividends received from related foreign corporations and (b) dividends received from portfolio investment in foreign corporations less than 10 percent owned. The second measure of total foreign dividends is obtained from the taxpayers' Form 1118 schedules and, while it includes both (a) and (b) above, dividends other than those from a related foreign corporation could not always be identified in the taxable income amounts in schedule A of the Form 1118. In addition this latter measure may include royalties as discussed in the explanation for Dividends paid by related foreign corporations. Another cause of noncomparability is that taxpayers using the per-country limitation did not always report their complete foreign income on their foreign tax credit schedule where no creditable taxes were involved.

Foreign tax credit claimed

Foreign tax credit claimed based on Code sections 901-905, is the reduction from the gross amount of income tax liability allowed domestic corporations for income, war profits, and excess profits, taxes paid or accrued, and under certain conditions, deemed to have been paid, to foreign countries or United States possessions. The foreign tax credit statistics shown in this supplemental report differ slightly in some instances from the corresponding data appearing in *Statistics of Income--1961-62, Corporation Income Tax Returns* because of the methods used to process the data.

The foreign tax credit allowable was limited to the proportion of the domestic tax which the foreign taxable income bore to the total taxable income (see Limitation) and the amount thus determined could not exceed the United States income tax before credit.

A taxpayer who claimed a foreign tax credit could not take a business deduction from gross income for foreign taxes paid.

Foreign taxes

Foreign taxes qualifying for the foreign tax credit consisted of taxes paid or accrued, taxes deemed to have been paid, and the carryover of excess taxes. Since only the total carryover tax figure is furnished by taxpayers using the overall limitation, no geographic area data are available for this item.

Forms of operation

Tax law provisions including those pertaining to the foreign tax credit help determine the most advantageous form of organization under which domestic corporations may conduct foreign operations. A few of the more important of these are:

(1) Factors conducive to branch operation--Regulations pertaining to earnings and profits may make it advantageous for a domestic corporation to operate through a foreign branch rather than through an incorporated subsidiary. One factor is that percentage depletion allowable to the domestic corporation in computing its taxable income is not under the Code taken into account in determining earnings and profits. In computing earnings and profits only cost depletion can be used. Since dividends received from a foreign subsidiary are deemed paid from the subsidiary's earnings and profits, domestic corporations for which depletion is a major factor in foreign operations often choose to operate through a branch because the foreign taxable income of the branch is net of percentage or cost depletion, whichever is the higher on each mineral property.

Another factor favoring foreign branch operation is the current deduction of foreign losses from the income of the domestic corporation when computing its United States income subject to tax. The losses of a foreign subsidiary, on the other hand, cannot be offset against the domestic corporation's income--foreign corporations may not be included with their parent corporation in a

consolidated return although there is an exception for certain fully-owned subsidiaries incorporated in Mexico and Canada.

(2) Factors conducive to operation through foreign subsidiary corporations--Only the accumulated profits from foreign incorporated subsidiaries, i.e., total gains and profits earned abroad less foreign taxes, are reported as taxable income in the supporting statement, Form 1118, and as dividend income on the corporation return Form 1120 income statement. Although amounts of eligible foreign taxes are also reduced in the computation of taxes deemed to have been paid, the reduction in taxable income constitutes an important factor favoring the establishment of foreign subsidiaries.

A closely related factor is the deferral of income whereby the earnings of the foreign subsidiary are not taxable to the domestic parent until such time as dividends are remitted. In addition, foreign corporations are not subject to the penalty tax on the unreasonable accumulation of earnings under Code section 531, except insofar as that corporation might derive income from within the United States.

(3) Factors conducive to operation as certain types of domestic corporations --

(a) Corporations entitled to the benefits of Code section 931: Code section 931 exempts from United States taxation the income derived by a domestic corporation from a possession of the United States when: 80 percent or more of the gross income of the corporation for the 3-year period immediately preceding the close of the taxable year was obtained from sources within a possession and, 50 percent or more of the gross income during this 3-year period was obtained through the active conduct of trade or business within a possession. A domestic corporation covered by section 931 itself does not qualify for the foreign tax credit, but a parent corporation upon receiving dividends from such a corporation may claim a foreign tax credit for foreign taxes paid by the subsidiary. Although dividends received by the parent corporation from a section 931 corporation do not themselves qualify for the section 931 tax exemption, there is the advantage of deferring income from the possession from United States taxation until dividends are received. These dividends, however, are not eligible for the 85 percent dividends-received deduction, nor may the domestic parent file a consolidated return with a section 931 corporation.

(b) Western Hemisphere trade corporations: Code Sections 921 and 922 provide for a special deduction from taxable income for United States corporations largely engaged in the active conduct of trade or business within the Western Hemisphere. Unlike dividends from a section 931 corporation, corporate shareholders may claim a dividends-received deduction for dividends received from a Western Hemisphere trade corporation and a parent corporation may file a consolidated return with a subsidiary which qualifies as a Western Hemisphere trade corporation if other Code provisions are met. However, unlike the section 931 situation, operation through a subsidiary which is a Western Hemisphere trade corporation does not permit deferral of income and of United States tax. (See the separate section on: "Western Hemisphere Trade Corporation Returns" for further discussion.)

(c) China Trade Act corporations: These corporations, incorporated under Federal law, are permitted a special deduction from taxable income, under section 941, for part of their income obtained from Taiwan and Hong Kong. The provisions of this section, however, are quite restrictive and the special deduction is primarily of historical interest.

There are, of course, many considerations other than those in the tax law that may help determine the most advantageous form of foreign operation, e.g.: (1) joint ventures with foreign corporations are sometimes used as a favorable means of penetrating foreign markets; (2) the laws of the foreign country may place the branch in the position of a foreign company (i.e., foreign to the country in which it is situated) receiving less favorable treatment than the subsidiary (which will be a domestic corporation insofar as the foreign country is concerned); and (3) encouragement of foreign banking and financial operations such as "Edge Act" federally incorporated financial firms specially designed for foreign operation.

There are the provisions of the Code and Regulations affecting foreign source income and the foreign tax credit for individual taxpayers. They include: the exemptions for foreign income of American citizens living abroad, under section 911; the special provisions in sections 933 and 934 regarding exemption from United States tax for residents of Puerto Rico and the Virgin Islands; and the section 931 provisions insofar as they affect United States citizens deriving a large share of their income in United States possessions. These provisions may also be factors in determining the form of foreign operation.

Geographical classification: area or country

Classifications of the data by area or country were obtained from schedule A and B of taxpayers' Forms 1118 where taxpayers identified the countries from which taxable income was received and to which foreign taxes were paid. Dividend income received from a related foreign corporation and the foreign taxes involved were all attributed to the country in which the foreign corporation was incorporated although it may have conducted business in other countries as well.

Taxpayers choosing the overall limitation did not report the carryover amounts included in creditable foreign taxes country-by-country, nor did they determine the foreign tax credit on a country basis. Information for these two items is not available in classifications by country or area for taxpayers using the overall limitation.

Income subject to United States tax

Income subject to United States tax for most corporations consisted of net income less certain additional deductions described below as statutory special deductions. There were exceptions to this general rule since income subject to United States tax for some corporations was not derived from the amounts shown as net income. These corporations included life and certain mutual insurance companies, regulated investment companies, and real estate investment trusts.

Statutory special deductions included the deductions claimed for (1) net operating losses of prior years,

(2) intercorporate dividends received, (3) dividends paid on certain preferred stock of public utilities, and (4) Western Hemisphere trade corporations. These deductions are those which were allowed in addition to the ordinary and necessary business deductions and are therefore treated as deductions from net income.

The Western Hemisphere trade corporation deduction is the only statutory special deduction shown in this report. It is allowed to certain domestic companies who conduct almost all of their business outside the United States but within the Western Hemisphere and who qualify under section 921 of the Code.

Income year

The income year covers accounting periods ended from July of one year through June of the next. The statistics for 1961 are based on returns with accounting periods coinciding with calendar year 1961, and returns using other accounting periods as well. About one-half of all corporation returns for 1961 had accounting periods ending in December and over 90 percent of the foreign tax credit claimed was reported on these calendar-year returns. Classifications of the data by income year are provided in the historical summaries, tables 13 and 14.

Industrial classification

Industrial divisions and groups were used as a basis for classifying tax return data according to the *principal* business activity of the domestic corporation. Returns were classified in that industry which accounted for the largest portion of business receipts of the domestic corporation, even though the return may have been for a company engaged in many business activities or may have been a consolidated return filed for members of an affiliated group of corporations undertaking different business activities.

Limitation

The limitation established a ceiling on the amount of foreign creditable taxes constituting the foreign tax credit. Taxpayers were permitted to choose from two alternative limitations: (1) the per-country limitation and (2) overall limitation.

Under the per-country method, the tax credit is computed separately for each country or United States possession. The credit for foreign taxes paid is limited to that percentage of income taxes owed to the United States which taxable income from the country or possession bears to total taxable income. The computation is as follows:

$$\frac{\text{Income tax before foreign tax credit}}{\text{Taxable income from sources within the foreign country or United States possession}} \times \frac{\text{Taxable income from all sources, foreign and domestic}}{\text{Taxable income from all sources, foreign and domestic}}$$

Under the overall method, the amount of credit is computed on the total amount of creditable foreign taxes paid to all foreign countries and United States possessions. The credit may not exceed the percentage of United States income tax which taxable income from

foreign sources bears to total taxable income. The overall limitation method, available to taxpayers for taxable years beginning after December 31, 1960, is computed in the following manner:

$$\frac{\text{Income tax before foreign tax credit}}{\text{Taxable income from all foreign countries and United States possessions}} \times \frac{\text{Taxable income from all sources, foreign and domestic}}{\text{Taxable income from all sources, foreign and domestic}}$$

No matter which limitation method is elected, the total foreign tax credit claimed cannot exceed the amount of income tax before foreign tax credit.

Net income (or deficit)

Net income (or deficit), shown in this report for domestic corporations claiming a foreign tax credit, is the difference between gross taxable receipts and the ordinary and necessary business deductions allowed by the Code. Net income is generally larger than income subject to tax because of the statutory special deductions from net income allowed most corporations in computing taxable income. (See statutory special deductions under Income subject to United States tax.)

Returns with foreign tax credit

These were the returns of domestic corporations which claimed a tax credit for taxes paid or accrued to foreign countries and United States possessions or their political subdivisions. Although summary statistics are furnished in this report for all corporation returns which claimed the credit, the more detailed information is available only for the returns with supporting schedules, Form 1118, attached.

Supporting statements, Form 1118

The schedules underlying the computation of the foreign tax credit are included in Form 1118, "Statement in Support of Credit Claimed by Domestic Corporation for Taxes Paid or Accrued to Foreign Countries or Possessions of the United States". Taxpayers sometimes provided their own equivalent statements in lieu of the prescribed form. Statistics for these returns are included among the returns with supporting statements, Form 1118.

A facsimile of the form is provided at the end of this report. The Form 1118 was revised in December 1961. This revision incorporated the change in the law whereby taxpayers might use either the per-country or overall limitation method in computing their foreign tax credit. However, a number of the Forms 1118 received with the corporation returns for 1961 were dated prior to the December revision, reflecting computation of the credit under the per-country limitation only.

Taxable income (or loss) from foreign sources

Taxable income from foreign sources consists of gains, profits, and income earned through the operation of a domestic corporation resident in a foreign country or a possession of the United States, or through an equity

arrangement in a foreign corporation. It includes rentals, interest, royalties, compensation for labor or services performed, and dividends. Properly apportioned expenses and losses could be deducted from the items of gross income so that for any given country an amount of "loss" could result from the year's activity.

Remitted amounts of taxable income normally can be traced to the country or United States possession from which the income was derived. This was not possible in the case of dividends from related corporations which could be traced only to their country of incorporation.

Taxable income remitted from foreign sources had to meet standards similar to those used for determining income earned in the United States in order to qualify for a foreign tax credit. Information provided by taxpayers on Forms 1118 provided documentation substantiating the tax credit.

Taxes deemed to have been paid

The Code provides that a domestic corporation shall be deemed to have paid a proportionate share of the foreign creditable taxes paid or deemed paid by a related foreign corporation--i.e., a foreign corporation in which a domestic corporation owns 10 percent or more of the voting stock. A related foreign corporation shall be deemed to have paid a proportionate share of the foreign taxes paid by a subsidiary in which the related foreign corporation owns 50 percent or more of the voting stock. The domestic corporation then, in effect, may claim an "indirect credit" for the foreign creditable taxes of a related foreign corporation and its subsidiaries almost as if the domestic corporation itself had paid foreign taxes. The credit for taxes deemed to have been paid does not become available until foreign dividends are paid out of the accumulated profits of the foreign related corporation, received by the domestic corporation, and are subject to the United States tax.

A separate calculation is required with respect to each year's accumulated profits distributed in obtaining the amount of taxes deemed paid. For example, if a related foreign corporation were to have gains of \$1,000 in 1961 against which \$300 taxes were paid, gains of \$800 in 1960 against which \$225 taxes were paid, and gains of \$700 in 1959 against which \$200 taxes were paid, accumulated profits for the 3 years would amount to \$700, \$575, and \$500. If dividends of \$1,200 are declared in 1961, they will be first attributed to the \$700 accumulated profits for 1961 and \$500 then attributed to the accumulated profits for 1960. Accumulated profits of \$75 for 1960 and \$500 for 1959 would remain as amounts against which future dividends would be attributed. Since the dividends were paid out of the accumulated profits for 1961 and then 1960, the foreign taxes creditable are those paid for 1961 and 1960 by the related foreign corporation. Similar calculations are made based on the profits and taxes of its subsidiaries to determine the taxes deemed to have been paid by a related foreign corporation. The calculations may be broken down into the following steps indicated in schedules B and C, Form 1118:

(a) To determine taxes deemed paid by the related foreign corporation (Schedule C pertaining to the related foreign corporation's subsidiary):

$$\begin{array}{lcl} (1) & \frac{\text{Accumulated profits}}{\text{Total gains, profits, and income}} \times \text{Foreign tax on total gains, profits, and income} & = \text{Foreign tax paid on accumulated profits} \\ (2) & \frac{\text{Dividends paid}}{\text{Accumulated profits}} \times \text{Foreign tax paid on accumulated profits} & = \text{Tax deemed to have been paid by the related foreign corporation} \end{array}$$

(b) To determine taxes deemed paid by the domestic corporation (schedule B pertaining to the related foreign corporation):

$$\begin{array}{lcl} (1) & \text{Determine the related corporation's foreign tax paid on accumulated profits, computed similar to (a)(1) above.} & \\ (2) & \frac{\text{Dividends paid}}{\text{Accumulated profits}} \times \text{Foreign tax paid on accumulated profits plus tax deemed to have been paid by the related foreign corporation (From schedule C)} & = \text{Tax deemed to have been paid by the domestic corporation} \end{array}$$

Taxes paid or accrued

Taxes paid or accrued are amounts of income, profits, and excess profits taxes paid to a foreign country or United States possession, including their subdivisions. These taxes include those: (a) withheld on dividends, interest, royalties, and similar remittances; (b) paid on the earnings and profits of foreign branches; and (c) eligible substitute taxes paid in lieu of the foreign country's regular income or profits tax such as certain production taxes imposed on mining firms in lieu of a regular income tax have qualified as eligible "in lieu of" taxes. The foreign tax will qualify as a creditable tax if it is an income tax within the general United States concept even though the provisions of the law under which these taxes are imposed may vary considerably from the provisions of the Code.

Total assets

Total assets are those reported on the end-of-year balance sheet in the corporation's books of account. Total assets were net after reduction for accumulated depreciation, amortization, depletion, and the reserve for bad debts. When these reserves were reported as liabilities, they were treated as reductions from the asset accounts to which they related and the total assets were adjusted accordingly.

Asset estimates for the few returns of corporations which failed to provide balance sheet information were based on schedules in the tax return other than the balance sheet, for example, from the schedules for depreciation, bad debts, and cost of goods sold; from reference books; and from relationships between income statement and balance sheet items on similar returns which had both statements and which were classified in the same industrial group.

United States income tax before foreign tax credit

United States income tax before foreign tax credit is the gross amount of tax liability before deducting the credit claimed for foreign taxes paid or accrued. United States income tax consists of regular tax and alternative tax, although only the combined amount is presented in the tables of this report.

The regular tax was the income tax liability generally computed at the normal tax and surtax rates. The normal tax rate was 30 percent of taxable income as defined by the Code and the surtax rate was 22 percent of taxable income (plus partially tax-exempt interest) in excess of \$25,000. In the case of consolidated returns filed for an affiliated group of corporations, an additional tax of 2 percent was applicable under section 1503 of the Code.

This additional 2-percent tax was not applicable to certain public utility income or Western Hemisphere trade corporation income.

The alternative tax was the income tax liability computed under section 1201 of the Code. It consisted of a 25-percent tax on net long-term capital gain reduced by net short-term capital loss and a normal tax and surtax on the balance of taxable income. The alternative tax was payable if it was less than the regular normal tax and surtax on the entire amount of taxable income.

Statistics shown for income tax before credit are based on the amount reported by the corporation on its current-year return. These statistics do not reflect any adjustments to the tax liability resulting from the carryback of future year losses nor any adjustments resulting from audit and other enforcement activities.

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RETURNS WITH AND WITHOUT SUPPORTING STATEMENTS, FORM 1118

Table 1.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY MAJOR INDUSTRIAL GROUP

Major industrial group	All returns with foreign tax credit							Returns with supporting statements, Form 1118										
	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Foreign dividends		Foreign tax credit claimed (Thousand dollars)	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Number of returns	Amount (Thousand dollars)						Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carry-over (Thousand dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All industrial groups.....	4,427	24,540,337	23,510,742	11,602,921	2,081	1,469,612	1,492,900	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	2,332,358	1,168,355	589,063	574,940	1,476,963
Agriculture, forestry, and fisheries.....	15	17,500	16,170	4,898	11	3,077	1,404	13	11,516	10,538	3,544	377	23	71	48	6	17	69
Mining.....	98	867,859	766,222	393,840	50	9,368	299,268	78	856,742	757,252	389,515	600,343	9,360	535,552	374,667	2,719	158,166	297,964
Metal mining.....	25	272,339	206,918	106,453	9	2,527	47,007	24	271,325	206,338	106,158	98,016	2,816	163,814	86,374	860	76,580	47,006
Bituminous coal and lignite mining.....	4	6,995	2,362	1,088	1	4	6,995	4	6,995	2,362	1,088	22	4	3	3	-	-	3
Crude petroleum and natural gas.....	64	562,978	543,783	280,616	37	6,456	251,113	45	552,875	535,393	276,586	499,177	6,431	364,114	285,498	1,807	76,809	249,810
Mining and quarrying of nonmetallic minerals, and anthracite mining.....	5	25,547	13,159	5,683	3	381	1,145	5	25,547	13,159	5,683	3,128	109	7,621	2,792	52	4,777	1,145
Construction.....	101	109,001	94,687	43,124	40	6,340	8,449	71	106,588	89,836	41,144	26,778	7,197	8,703	6,218	1,874	611	7,666
Manufacturing.....	1,862	15,694,116	14,693,966	7,495,998	689	1,194,077	989,175	1,750	15,424,519	14,429,290	7,360,197	2,367,934	1,167,910	1,574,401	681,303	488,561	404,537	979,715
Beverage industries.....	18	152,545	145,387	75,272	9	9,159	8,439	17	152,347	145,189	75,176	16,586	8,960	8,503	5,000	3,479	24	8,432
Food and kindred products.....	93	956,793	947,914	487,886	50	62,328	37,981	85	863,415	854,842	440,418	71,139	56,044	38,497	11,349	24,671	2,477	33,817
Tobacco manufactures.....	7	168,024	167,482	87,002	3	511	535	7	168,024	167,482	87,002	2,060	572	536	403	133	-	535
Textile mill products.....	59	175,176	169,879	84,979	25	2,893	1,963	58	163,404	160,131	80,284	6,139	2,693	2,287	1,243	1,031	13	1,958
Apparel and other finished products made from fabrics and similar materials	75	52,083	51,876	26,445	9	1,041	2,004	61	50,700	50,476	25,805	5,123	982	2,031	1,585	402	44	1,980
Lumber and wood products, except furniture.....	12	65,082	66,405	16,834	5	321	218	9	64,284	65,613	16,474	765	317	201	109	89	3	184
Furniture and fixtures.....	29	17,574	17,494	8,807	5	984	514	24	16,407	16,328	8,234	1,109	983	636	163	473	-	507
Paper and allied products.....	61	645,457	634,639	306,014	29	27,987	16,889	59	641,544	630,821	304,042	39,800	29,050	20,189	5,186	14,027	976	16,885
Printing, publishing, and allied industries.....	157	246,721	241,240	123,481	64	7,940	5,553	156	242,939	237,317	121,497	14,435	7,874	6,856	2,536	3,728	592	5,535
Chemicals and allied products.....	320	2,858,153	2,664,585	1,372,334	109	120,920	78,856	298	2,822,413	2,630,677	1,354,839	243,885	119,495	81,956	34,600	45,456	1,900	78,630
Petroleum refining and related industries.....	24	1,618,922	1,064,025	556,684	12	352,210	430,944	23	1,618,228	1,063,330	556,330	905,599	344,667	933,468	455,460	134,036	343,972	436,488
Rubber and miscellaneous plastics products.....	87	368,436	362,232	187,402	16	60,391	26,803	86	368,322	362,123	187,391	73,649	53,966	26,859	8,564	18,291	4	26,811
Leather and leather products.....	21	35,823	35,233	18,177	2	4	109	19	35,575	34,997	18,065	632	4	136	136	-	-	107
Stone, clay, and glass products.....	49	504,769	491,937	253,536	24	48,964	27,849	45	502,809	489,973	252,541	59,134	48,758	30,250	9,728	18,589	1,933	27,884
Primary metal industries.....	72	1,228,263	1,165,867	569,191	29	37,168	74,762	71	1,228,218	1,165,823	569,173	290,304	37,082	142,485	86,177	10,511	45,797	74,767
Fabricated metal products (including ordnance), except machinery and transportation equipment.....	153	497,681	483,400	247,099	67	39,255	23,138	148	493,840	479,557	245,158	54,387	39,313	26,432	8,137	17,505	790	23,127
Machinery, except electrical and transportation equipment.....	289	1,354,341	1,327,267	679,671	98	51,153	36,904	265	1,284,609	1,258,317	644,075	94,344	49,791	39,576	18,734	19,179	1,663	36,392
Electrical machinery, equipment, and supplies.....	132	1,097,408	1,069,420	547,540	55	43,038	36,201	129	1,063,507	1,035,508	529,543	106,696	39,964	30,771	12,882	15,727	2,162	26,090
Transportation equipment, except motor vehicles.....	43	402,475	389,804	198,122	10	2,112	1,824	43	402,475	389,804	198,122	9,697	2,176	2,080	1,075	805	200	1,832
Motor vehicles and motor vehicle equipment.....	34	2,622,796	2,576,629	1,330,295	14	294,272	156,697	32	2,622,116	2,575,951	1,329,954	317,236	294,221	158,436	7,498	149,645	1,293	156,832
Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks.....	72	479,048	475,969	245,824	31	24,194	15,971	65	478,976	475,899	245,811	39,089	23,970	16,616	9,184	7,259	173	15,961
Other manufacturing industries.....	55	146,546	145,282	73,403	23	7,232	5,021	50	140,367	139,132	70,263	16,126	7,028	5,600	1,554	3,525	521	4,961
Transportation, communication, electric, gas, and sanitary services.....	121	3,530,065	3,453,645	1,773,435	50	8,399	8,809	102	3,505,364	3,430,322	1,761,223	40,486	7,647	8,605	5,576	2,807	222	7,910
Transportation.....	98	506,144	480,594	232,971	36	1,674	4,268	81	486,227	461,970	223,191	22,707	2,125	4,189	3,065	948	176	3,736
Communication.....	9	2,587,096	2,545,146	1,320,296	8	4,410	2,940	9	2,587,096	2,545,146	1,320,296	14,719	3,206	2,939	1,764	1,175	-	2,940
Electric and gas companies and systems.	13	431,813	423,367	218,856	5	2,302	1,598	11	427,029	418,668	216,424	3,047	2,302	1,474	744	684	46	1,231
Water supply and other sanitary services.....	1	5,012	4,538	1,312	1	13	3	1	5,012	4,538	1,312	13	13	3	3	-	-	3
Wholesale and retail trade.....	624	852,322	811,597	399,804	250	132,267	75,079	503	823,357	782,987	386,019	192,772	133,140	95,922	35,724	52,728	7,470	81,776
Wholesale trade.....	518	482,685	457,582	223,361	209	95,903	53,537	459	456,412	431,632	210,621	147,276	96,898	72,979	29,422	36,176	7,381	60,351
Groceries and related products.....	97	35,740	34,460	17,495	57	10,429	12,733	83	35,292	33,502	17,069	30,254	10,895	13,580	9,207	3,600	773	12,684
Electrical goods, hardware, and plumbing and heating equipment and supplies.....	10	4,835	4,698	1,895	5	62	236	9	4,695	4,565	1,830	1,101	59	248	219	25	4	236
Other wholesalers.....	411	442,110	418,424	203,971	147	85,412	40,568	367	416,425	393,565	191,722	115,921	85,944	59,151	19,996	32,551	6,604	47,431

Footnote at end of table.

Table 1.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY MAJOR INDUSTRIAL GROUP—Continued

Major industrial group	All returns with foreign tax credit							Returns with supporting statements, Form 1118										
	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Foreign dividends		Foreign tax credit claimed (Thousand dollars)	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Number of returns	Amount (Thousand dollars)						Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carry-over (Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Wholesale and retail trade—Continued																		
Retail trade.....	102	364,589	349,745	174,269	40	36,157	21,421	41	361,915	347,103	173,229	45,250	36,035	22,822	6,181	16,552	89	21,304
Food.....	5	190,299	189,786	98,080	3	109	152	5	190,299	189,786	98,080	775	108	166	113	44	9	152
General merchandise.....	12	147,141	134,148	63,667	4	35,390	18,506	11	146,817	133,913	63,551	37,497	35,388	19,811	3,463	16,275	73	18,389
Apparel and accessories.....	9	2,218	1,773	879	7	16	37	4	1,972	1,557	790	85	14	37	30	7	-	37
Furniture, home furnishings, and equipment.....	13	1,082	1,041	501	11	20	8	3	946	916	462	39	1	8	8	-	-	8
Automotive dealers and gasoline service stations.....	4	1,208	1,184	496	3	6	1	3	1,079	1,029	443	5	-	1	1	-	-	1
Eating and drinking places.....	1	1,688	1,688	828	1	90	44	1	1,688	1,688	828	90	-	54	26	28	-	44
Building materials, hardware, and farm equipment.....	16	3,116	2,990	1,243	5	9	2	4	2,100	1,977	805	11	7	2	2	-	-	2
Other retail stores.....	42	17,837	17,135	8,575	6	517	2,671	10	17,014	16,237	8,270	6,748	517	2,743	2,538	198	7	2,671
Wholesale and retail trade not allocable.....	4	5,048	4,270	2,174	1	207	121	3	5,030	4,252	2,169	246	207	121	121	-	-	121
Finance, insurance, and real estate.....	1,280	3,180,300	3,392,808	1,361,121	895	63,728	71,208	1,048	3,019,002	3,184,238	1,324,096	270,355	54,950	75,655	50,253	21,782	3,620	69,296
Banking.....	64	1,165,800	1,152,100	537,237	21	2,256	24,167	59	1,108,127	1,094,563	511,303	86,902	2,211	24,241	22,816	549	876	22,832
Credit agencies other than banks.....	140	330,841	294,168	151,061	73	10,143	11,052	115	330,293	293,597	150,944	25,001	9,882	12,366	5,706	5,683	977	11,032
Holding and other investment companies	485	197,266	121,321	43,330	408	45,880	19,666	387	176,731	111,763	40,679	50,224	39,331	22,608	6,233	14,695	1,680	19,594
Security and commodity brokers, dealers, exchanges, and services.....	48	76,010	74,018	34,529	42	809	332	46	75,898	73,917	34,497	1,169	619	385	243	141	1	331
Insurance carriers.....	193	1,325,813	1,680,850	567,622	125	2,726	14,922	167	1,264,938	1,559,319	564,332	104,574	1,257	14,971	14,865	51	55	14,561
Insurance agents, brokers, and service	41	33,995	27,871	9,765	20	1,364	781	29	14,268	10,436	5,226	1,432	1,108	759	218	540	1	690
Real estate, except lessors of real property other than buildings.....	300	42,662	34,958	14,288	200	430	221	237	40,836	33,123	13,826	905	482	294	141	123	30	227
Lessors of real property, except buildings.....	9	7,913	7,522	3,289	6	120	67	8	7,911	7,520	3,289	148	60	31	31	-	-	29
Services.....	325	289,148	281,622	130,695	95	52,356	39,508	256	215,772	207,001	105,465	95,680	38,122	33,449	14,566	18,586	297	32,567
Hotels, rooming houses, camps, and other lodging places.....	7	2,656	2,246	959	6	161	51	7	2,656	2,246	959	164	176	85	8	70	7	51
Personal services.....	4	2,847	2,467	1,261	2	16	12	3	2,789	2,427	1,245	49	14	16	8	8	-	12
Business services.....	164	152,421	145,095	74,229	65	34,727	28,229	144	146,387	139,778	71,608	69,476	34,653	28,523	10,886	17,444	193	28,000
Automobile repair, services, and garages, and other repair services...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motion pictures.....	72	121,216	122,309	49,783	11	17,249	10,744	53	55,151	54,091	27,591	23,724	3,128	4,316	3,228	994	94	4,047
Amusement and recreation services, except motion pictures.....	20	1,896	1,509	665	5	84	118	18	1,763	1,484	659	565	45	126	102	24	-	119
Other services.....	58	8,112	7,996	3,798	6	119	354	31	7,026	6,975	3,403	1,702	106	383	334	46	3	338
Nature of business not allocable.....	1	26	25	6	1	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-

¹Less than \$500.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."
Detail may not add to total due to rounding.

RETURNS WITH AND WITHOUT SUPPORTING STATEMENTS, FORM 1118

Table 2.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY SIZE OF TOTAL ASSETS

Size of total assets	All returns with foreign tax credit							Returns with supporting statements, Form 1118										
	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign dividends		Foreign tax credit claimed (Thousand dollars)	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Number of returns	Amount (Thousand dollars)						Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carry-over (Thousand dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
Total.....	4,427	24,540,337	23,510,742	11,602,921	2,081	1,469,612	1,492,900	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	2,332,358	1,168,355	589,663	574,940	1,476,963
Zero assets.....	42	101,947	100,994	51,035	12	3,472	2,210	39	97,626	97,512	49,530	4,807	3,320	2,640	1,076	922	642	1,883
\$1 under \$25,000.....	28	688	399	74	11	106	50	20	218	182	65	142	70	62	26	36	-	50
\$25,000 under \$50,000.....	156	1,637	1,105	322	29	18	99	83	1,489	826	254	609	19	107	99	6	2	99
\$50,000 under \$100,000.....	90	1,897	1,792	563	61	115	99	60	1,112	953	313	291	102	140	70	50	20	96
\$100,000 under \$250,000.....	393	10,938	9,877	3,488	158	355	1,249	317	9,404	8,419	3,125	3,942	99	1,302	1,221	22	59	1,133
\$250,000 under \$500,000.....	429	22,226	20,077	8,469	200	1,611	1,805	316	16,706	14,409	6,103	4,872	1,885	2,093	1,395	605	93	1,565
\$500,000 under \$1,000,000.....	430	27,917	23,828	9,769	181	158	2,004	337	22,566	19,118	8,289	9,333	33	2,165	2,148	-	17	1,979
\$1,000,000 under \$2,500,000.....	615	129,808	114,954	51,096	279	4,889	9,167	504	112,944	97,936	44,285	25,808	5,165	11,073	7,646	2,176	1,251	8,710
\$2,500,000 under \$5,000,000.....	426	192,236	175,840	80,322	198	6,610	11,151	383	175,122	162,372	72,696	33,040	5,962	13,320	10,015	2,664	1,241	10,129
\$5,000,000 under \$10,000,000.....	426	358,036	338,727	162,303	203	18,973	17,720	415	349,523	331,096	158,933	56,920	18,831	23,163	13,768	6,340	3,015	17,952
\$10,000,000 under \$25,000,000.....	453	790,796	763,082	365,333	229	23,381	24,650	437	768,741	735,981	355,645	70,670	23,264	27,216	16,968	8,317	1,931	23,681
\$25,000,000 under \$50,000,000.....	257	937,749	944,056	446,542	127	36,585	39,205	250	920,412	902,295	437,357	105,443	38,868	64,035	32,231	16,420	15,384	39,132
\$50,000,000 under \$100,000,000.....	227	1,651,086	1,752,895	801,154	121	72,917	80,891	222	1,628,887	1,738,273	794,157	204,397	72,989	186,499	83,932	28,299	74,268	79,553
\$100,000,000 under \$250,000,000.....	202	2,695,172	2,646,989	1,279,289	130	177,044	128,844	192	2,495,422	2,369,806	1,193,433	306,527	160,260	141,499	74,249	63,156	4,094	121,281
\$250,000,000 or more.....	253	17,618,204	16,616,127	8,343,162	142	1,123,378	1,173,756	246	17,362,688	16,412,286	8,245,018	2,767,924	1,088,282	1,857,044	923,511	466,610	472,923	1,169,320

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."
Detail may not add to total due to rounding.

RETURNS WITH AND WITHOUT SUPPORTING STATEMENTS, FORM 1118

Table 3.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY SIZE OF NET INCOME

Size of net income	All returns with foreign tax credit							Returns with supporting statements, Form 1118										
	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign dividends		Foreign tax credit claimed (Thousand dollars)	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Number of returns	Amount (Thousand dollars)						Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carry-over (Thousand dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
Total.....	4,427	24,540,337	23,510,742	11,602,921	2,081	1,469,612	1,492,900	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	2,332,358	1,168,355	589,063	574,940	1,476,963
Under \$5,000.....	188	345	244	55	97	52	7	127	259	166	43	350	17	731	113	5	613	21
\$5,000 under \$10,000.....	182	1,368	998	277	64	275	102	150	1,135	967	272	911	222	340	188	112	40	132
\$10,000 under \$15,000.....	164	1,980	3,226	489	89	49	87	141	1,743	1,381	410	323	14	88	84	4	-	64
\$15,000 under \$20,000.....	131	2,243	1,903	551	76	70	15	125	2,212	1,861	541	334	14	58	50	3	5	40
\$20,000 under \$25,000.....	142	3,103	2,751	764	75	74	188	106	2,401	1,928	601	814	18	228	189	-	39	161
\$25,000 under \$50,000.....	531	17,338	18,287	4,745	238	434	753	377	12,880	13,001	3,430	4,469	210	959	809	71	79	812
\$50,000 under \$100,000.....	430	30,724	27,197	10,319	159	1,799	2,707	318	23,031	23,214	8,871	6,861	1,250	3,310	2,176	630	504	2,054
\$100,000 under \$250,000.....	570	94,312	92,314	35,207	259	3,409	4,967	485	79,934	71,417	29,397	17,024	2,508	5,899	4,605	782	512	4,690
\$250,000 under \$500,000.....	403	144,372	163,474	57,891	174	5,956	7,721	361	129,194	125,517	51,590	24,863	5,574	8,670	5,684	1,799	1,187	6,984
\$500,000 under \$1,000,000.....	371	269,686	353,878	114,327	161	9,461	13,158	350	251,598	337,007	106,684	40,894	9,911	16,582	10,663	3,473	2,446	12,605
\$1,000,000 under \$5,000,000.....	730	1,697,112	1,970,880	770,850	347	73,499	68,319	714	1,646,700	1,843,446	747,529	196,683	69,298	89,161	49,111	26,244	13,806	66,643
\$5,000,000 under \$10,000,000.....	234	1,657,033	1,546,136	772,398	119	84,469	73,228	227	1,602,172	1,491,077	749,183	201,433	80,573	82,411	44,656	31,389	6,366	68,171
\$10,000,000 under \$25,000,000.....	178	2,787,354	2,589,054	1,297,512	98	163,224	123,972	174	2,724,544	2,536,706	1,275,840	358,558	160,003	174,638	92,451	60,770	21,417	128,839
\$25,000,000 under \$50,000,000.....	92	3,412,777	3,294,470	1,632,346	68	176,679	148,504	88	3,264,980	3,145,727	1,564,781	345,242	159,253	246,654	112,457	63,666	70,531	135,356
\$50,000,000 under \$100,000,000.....	53	3,642,869	3,446,853	1,753,867	34	229,732	159,305	50	3,442,356	3,298,972	1,680,708	375,902	217,325	221,041	85,964	88,594	46,483	155,017
\$100,000,000 or more.....	28	10,777,721	9,999,077	5,151,323	23	720,430	889,867	28	10,777,721	9,999,077	5,151,323	2,020,064	712,159	1,481,588	759,155	311,521	410,912	895,374

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."
Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 4.—NUMBER OF RETURNS, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT CLAIMED, BY SIZE OF INCOME TAX OF DOMESTIC CORPORATION BEFORE CREDIT

Size of U. S. income tax before foreign tax credit	Number of returns	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes						Foreign tax credit claimed (Thousand dollars)	
			Total (Thousand dollars)	Dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued		Deemed paid		Carryover		
						Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns		Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Total.....	3,821	11,371,203	3,594,725	1,418,349	2,332,358	3,761	1,168,355	635	589,063	402	574,940	1,476,963
Under \$10,000.....	979	4,077	5,491	352	2,117	976	1,100	11	137	95	880	874
\$10,000 under \$50,000.....	571	14,748	12,052	1,619	4,450	555	3,152	34	718	50	580	3,072
\$50,000 under \$250,000.....	747	91,728	45,900	9,661	16,966	735	11,484	80	3,111	67	2,371	13,128
\$250,000 under \$500,000.....	331	118,854	49,738	13,856	20,700	320	13,098	67	4,351	38	3,251	15,227
\$500,000 under \$1,000,000.....	316	227,692	67,378	19,296	25,531	312	16,425	81	6,308	36	2,798	20,327
\$1,000,000 under \$10,000,000.....	683	2,194,999	606,002	233,366	277,014	672	152,124	247	92,695	73	32,195	207,272
\$10,000,000 or more.....	194	8,719,105	2,808,164	1,140,199	1,985,580	191	970,972	115	481,743	43	532,865	1,217,063

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."
Detail may not add to total due to rounding.

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 5.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID AND BY INDUSTRIAL DIVISION

Geographic area and industrial division	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				
					Total (Thousand dollars)	Dividends (Thousand dollars)	Total ¹ (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover ¹ (Thousand dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
ALL GEOGRAPHIC AREAS											
Total.....	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	2,332,358	1,168,355	589,063	574,940	
Agriculture, forestry, and fisheries.....	13	11,516	10,538	3,544	377	23	71	48	6	17	
Mining.....	78	856,742	757,252	389,515	600,343	9,360	535,552	374,667	2,719	158,166	
Construction.....	71	106,588	89,836	41,144	26,778	7,197	8,703	6,218	1,874	611	
Manufacturing.....	1,750	15,424,519	14,429,290	7,360,197	2,367,934	1,167,910	1,574,401	681,303	488,561	404,537	
Transportation, communication, electric, gas, and sanitary services.....	102	3,505,364	3,430,322	1,761,223	40,486	7,647	8,605	5,576	2,807	222	
Wholesale and retail trade.....	503	823,357	782,987	386,019	192,772	133,140	95,922	35,724	52,728	7,470	
Finance, insurance, and real estate.....	1,048	3,019,002	3,184,238	1,324,096	270,355	54,950	75,655	50,253	21,782	3,620	
Services.....	256	215,772	207,001	105,465	95,680	38,122	33,449	14,566	18,586	297	
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	
CANADA											
Total.....	2,569	19,717,445	18,853,847	9,363,858	651,686	312,621	231,579	82,252	149,327	-	
Agriculture, forestry, and fisheries.....	10	11,076	10,112	3,431	284	7	19	19	-	-	
Mining.....	39	182,683	135,266	67,898	11,936	2,353	7,028	6,161	867	-	
Construction.....	40	68,359	56,436	26,587	6,151	1,446	2,762	2,099	663	-	
Manufacturing.....	1,182	13,271,134	12,380,791	6,313,183	451,823	263,002	173,000	46,521	126,479	-	
Transportation, communication, electric, gas, and sanitary services.....	41	2,873,008	2,822,677	1,460,835	13,446	5,427	4,695	2,313	2,382	-	
Wholesale and retail trade.....	230	579,308	553,259	276,787	15,503	10,759	8,082	2,807	5,275	-	
Finance, insurance, and real estate.....	846	2,559,905	2,729,521	1,130,512	137,560	21,792	29,200	19,440	9,760	-	
Services.....	181	171,972	165,785	84,625	14,983	7,835	6,793	2,892	3,901	-	
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	
LATIN AMERICAN REPUBLICS											
Total.....	884	14,182,973	13,344,406	6,647,692	752,977	131,374	531,708	493,849	37,859	-	
Agriculture, forestry, and fisheries.....	2	281	281	143	30	-	9	9	-	-	
Mining.....	30	220,981	179,630	91,884	107,171	5,486	95,418	93,980	1,438	-	
Construction.....	21	52,424	42,083	20,329	8,858	3,951	2,107	1,226	881	-	
Manufacturing.....	511	11,543,448	10,637,174	5,424,656	541,880	101,594	404,704	375,827	28,877	-	
Transportation, communication, electric, gas, and sanitary services.....	47	761,733	730,922	368,760	6,883	709	1,445	1,163	282	-	
Wholesale and retail trade.....	157	332,770	304,153	142,386	48,530	14,976	17,436	12,216	5,220	-	
Finance, insurance, and real estate.....	76	1,159,546	1,339,488	542,756	35,633	3,613	7,917	7,185	732	-	
Services.....	40	111,790	110,675	56,778	3,992	1,045	2,672	2,243	429	-	
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	
OTHER WESTERN HEMISPHERE											
Total.....	35	1,910,011	1,504,824	739,908	77,005	4,470	28,789	27,969	820	-	
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	
Mining.....	2	14,769	10,784	5,598	10,509	-	2,981	2,981	-	-	
Construction.....	2	11,264	8,904	4,566	501	211	135	107	28	-	
Manufacturing.....	12	1,471,893	1,100,107	545,791	62,878	1,901	25,431	24,679	752	-	
Transportation, communication, electric, gas, and sanitary services.....	1	7,671	7,671	1,941	29	-	-	-	-	-	
Wholesale and retail trade.....	2	26,921	26,789	13,919	2,012	2,353	46	6	40	-	
Finance, insurance, and real estate.....	11	301,136	274,217	128,702	953	5	144	144	-	-	
Services.....	5	76,397	76,352	39,391	123	-	52	52	-	-	
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	

Footnotes at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 5.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID AND BY INDUSTRIAL DIVISION—Continued

Geographic area and industrial division	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes			
					Total (Thousand dollars)	Dividends (Thousand dollars)	Total ¹ (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover ¹ (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EUROPE										
Total.....	818	13,091,976	12,156,218	6,153,504	864,068	660,602	371,042	93,014	278,028	-
Agriculture, forestry, and fisheries.....	3	1,147	1,133	477	63	16	26	20	6	-
Mining.....	11	63,714	57,283	29,336	1,005	842	396	223	173	-
Construction.....	9	30,919	27,987	13,612	4,732	451	2,078	1,898	180	-
Manufacturing.....	566	11,177,670	10,301,990	5,254,289	705,366	564,797	304,014	66,098	237,916	-
Transportation, communication, electric, gas, and sanitary services.....	7	218,139	208,920	105,023	2,091	311	385	346	39	-
Wholesale and retail trade.....	82	306,870	299,970	145,100	55,464	45,332	24,421	7,572	16,849	-
Finance, insurance, and real estate.....	170	1,158,238	1,125,359	537,164	42,046	20,626	19,731	10,669	9,062	-
Services.....	30	135,279	133,576	68,503	53,301	28,227	19,991	6,188	13,803	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-
AFRICA										
Total.....	214	7,971,502	7,282,360	3,708,916	90,422	72,753	26,510	4,696	21,814	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-
Mining.....	7	118,016	96,868	50,156	1,825	50	149	144	5	-
Construction.....	4	5,006	5,000	1,945	1,563	1,137	173	51	122	-
Manufacturing.....	131	7,201,107	6,560,905	3,359,785	61,095	56,169	18,720	1,527	17,193	-
Transportation, communication, electric, gas, and sanitary services.....	3	53,899	53,533	25,606	1,419	-	131	131	-	-
Wholesale and retail trade.....	22	224,010	217,017	105,058	14,176	8,049	4,734	2,056	2,678	-
Finance, insurance, and real estate.....	34	282,686	262,441	121,708	9,002	7,257	2,429	640	1,789	-
Services.....	13	86,720	86,596	44,658	1,342	91	174	147	27	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-
ASIA										
Total.....	568	14,471,203	13,700,392	6,890,771	945,227	137,945	501,825	446,510	55,315	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-
Mining.....	18	565,902	550,554	285,582	467,393	132	271,202	271,175	27	-
Construction.....	14	34,034	28,898	13,174	4,772	1	733	733	-	-
Manufacturing.....	349	9,859,451	8,983,758	4,602,631	382,785	85,414	186,322	153,411	32,911	-
Transportation, communication, electric, gas, and sanitary services.....	24	2,644,641	2,600,726	1,342,577	6,999	1,127	1,379	1,287	92	-
Wholesale and retail trade.....	61	224,701	222,048	106,592	52,312	49,968	30,148	8,364	21,784	-
Finance, insurance, and real estate.....	60	1,035,580	1,208,245	485,777	23,651	673	9,818	9,639	179	-
Services.....	42	106,894	106,163	54,438	7,315	630	2,223	1,901	322	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-
OCEANIA										
Total.....	333	6,373,504	5,963,736	3,055,427	102,802	83,482	50,895	9,201	41,694	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-
Mining.....	1	32,559	32,559	16,808	7	-	3	3	-	-
Construction.....	1	4,769	4,731	1,946	40	-	-	-	-	-
Manufacturing.....	270	5,916,237	5,538,126	2,846,064	95,144	81,106	46,880	6,274	40,606	-
Transportation, communication, electric, gas, and sanitary services.....	3	69,615	68,779	34,688	67	1	15	15	-	-
Wholesale and retail trade.....	16	170,369	169,070	86,449	2,704	1,700	2,369	1,526	854	-
Finance, insurance, and real estate.....	27	72,925	44,077	14,777	2,908	381	1,256	1,126	130	-
Services.....	15	107,030	106,394	54,695	1,932	294	361	257	104	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-
PUERTO RICO AND U. S. POSSESSIONS										
Total.....	190	5,749,960	5,240,652	2,676,426	15,114	2,517	5,499	4,796	703	-
Agriculture, forestry, and fisheries.....	2	523	459	121	-	-	-	-	-	-
Mining.....	-	-	-	-	-	-	-	-	-	-
Construction.....	9	8,971	5,359	1,867	161	-	104	104	-	-
Manufacturing.....	63	4,367,301	3,927,309	2,030,746	6,292	2,333	2,713	2,081	632	-
Transportation, communication, electric, gas, and sanitary services.....	3	143,441	135,062	68,097	640	-	110	110	-	-
Wholesale and retail trade.....	32	165,837	148,178	69,439	2,543	3	865	837	28	-
Finance, insurance, and real estate.....	54	1,013,884	974,367	480,808	4,121	181	1,299	1,256	43	-
Services.....	27	50,003	49,918	25,348	1,357	-	408	408	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-
COUNTRY NOT STATED AND OTHER INCOME FROM OUTSIDE THE U. S.										
Total.....	76	3,259,721	2,964,016	1,487,117	95,424	12,585	9,571	6,068	3,503	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-
Mining.....	1	12,597	7,352	3,814	497	497	209	-	209	-
Construction.....	2	744	693	311	-	-	-	-	-	-
Manufacturing.....	29	2,838,174	2,562,961	1,293,909	60,671	11,594	8,080	4,885	3,195	-
Transportation, communication, electric, gas, and sanitary services.....	6	52,399	51,013	24,347	8,912	72	223	211	12	-
Wholesale and retail trade.....	6	17,254	16,246	8,687	2,472	-	340	340	-	-
Finance, insurance, and real estate.....	28	312,665	302,377	143,938	14,481	422	241	154	87	-
Services.....	4	25,888	23,374	12,111	11,335	-	478	478	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-

¹With exception of "all geographic areas," data do not include carryovers reported on returns using the overall limitation since these returns indicate only the total carryover and not the amount applicable to each foreign country.

²Loss.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."
See text for discussion regarding noncumulative area totals for columns (1) through (4).
Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 6.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY SIZE OF TOTAL ASSETS

Geographic area and size of total assets	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes			
					Total (Thousand dollars)	Dividends (Thousand dollars)	Total ¹ (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover ¹ (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
ALL GEOGRAPHIC AREAS										
Total.....	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	2,332,358	1,168,355	589,063	574,940
Under \$100,000.....	202	100,445	99,473	50,162	5,849	3,511	2,949	1,271	1,014	664
\$100,000 under \$1,000,000.....	970	48,676	41,946	17,517	18,147	1,217	5,560	4,764	627	169
\$1,000,000 under \$10,000,000.....	1,302	637,589	591,404	275,914	115,768	29,958	47,556	31,429	10,620	5,507
\$10,000,000 under \$100,000,000.....	909	3,318,040	3,376,549	1,587,159	380,510	135,121	277,750	133,131	53,036	91,583
\$100,000,000 or more.....	438	19,858,110	18,782,092	9,440,451	3,074,451	1,248,542	1,998,543	997,760	523,766	471,017
CANADA										
Total.....	2,569	19,717,445	18,853,847	9,363,858	651,686	312,621	231,579	82,252	149,327	-
Under \$100,000.....	152	96,494	95,724	48,395	1,125	453	447	233	214	-
\$100,000 under \$1,000,000.....	594	23,923	19,912	7,776	4,367	47	1,063	1,047	16	-
\$1,000,000 under \$10,000,000.....	882	397,747	372,136	171,136	23,278	8,298	8,513	5,316	3,197	-
\$10,000,000 under \$100,000,000.....	607	2,148,211	2,237,226	1,031,436	67,858	36,170	29,012	12,632	16,380	-
\$100,000,000 or more.....	334	17,051,070	16,128,849	8,105,115	555,058	267,653	192,544	63,024	129,520	-
LATIN AMERICAN REPUBLICS										
Total.....	884	14,182,973	13,344,406	6,647,692	752,977	131,374	531,708	493,849	37,859	-
Under \$100,000.....	20	37,318	37,133	18,913	664	184	255	170	85	-
\$100,000 under \$1,000,000.....	138	11,748	9,844	4,516	7,426	15	1,568	1,566	2	-
\$1,000,000 under \$10,000,000.....	237	135,443	119,672	59,247	29,493	4,952	10,243	9,242	1,001	-
\$10,000,000 under \$100,000,000.....	277	1,467,556	1,414,849	721,799	112,994	15,129	80,865	76,942	3,923	-
\$100,000,000 or more.....	212	12,530,908	11,762,908	5,843,217	602,400	111,094	438,777	405,929	32,848	-
OTHER WESTERN HEMISPHERE										
Total.....	35	1,910,011	1,504,824	739,908	77,005	4,470	28,789	27,969	820	-
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	4	1,640	1,224	610	753	-	277	277	-	-
\$10,000,000 under \$100,000,000.....	10	70,501	64,051	32,615	10,385	274	2,872	2,823	49	-
\$100,000,000 or more.....	21	1,837,870	1,439,549	706,683	65,867	4,196	25,640	24,869	771	-
EUROPE										
Total.....	818	13,091,976	12,156,218	6,153,504	864,068	660,602	371,042	93,014	278,028	-
Under \$100,000.....	19	56,944	56,875	28,575	2,915	2,588	1,320	712	608	-
\$100,000 under \$1,000,000.....	120	6,375	6,064	2,556	1,901	798	757	384	373	-
\$1,000,000 under \$10,000,000.....	218	140,858	129,880	61,095	21,212	14,164	9,022	3,358	5,664	-
\$10,000,000 under \$100,000,000.....	289	1,381,452	1,378,315	681,021	116,934	71,223	47,302	18,474	28,828	-
\$100,000,000 or more.....	172	11,506,347	10,585,084	5,380,257	721,106	571,829	312,641	70,086	242,555	-
AFRICA										
Total.....	214	7,971,502	7,282,360	3,708,916	90,422	72,753	26,510	4,696	21,814	-
Under \$100,000.....	6	2,964	2,925	1,506	168	197	77	14	63	-
\$100,000 under \$1,000,000.....	12	540	520	216	51	-	4	-	-	-
\$1,000,000 under \$10,000,000.....	55	28,678	27,883	13,897	5,563	116	1,405	1,380	25	-
\$10,000,000 under \$100,000,000.....	75	340,543	332,627	169,068	9,096	4,329	1,992	1,058	934	-
\$100,000,000 or more.....	66	7,598,777	6,918,405	3,524,229	75,544	68,111	23,032	2,240	20,792	-
ASIA										
Total.....	568	14,471,203	13,700,392	6,890,771	945,227	137,945	501,825	446,510	55,315	-
Under \$100,000.....	15	54,406	54,346	27,551	667	-	82	82	-	-
\$100,000 under \$1,000,000.....	99	7,630	7,481	3,375	2,965	321	1,442	1,208	234	-
\$1,000,000 under \$10,000,000.....	139	101,028	98,611	49,865	21,615	1,408	9,703	9,270	433	-
\$10,000,000 under \$100,000,000.....	153	720,099	695,150	345,539	38,378	3,212	16,468	15,501	967	-
\$100,000,000 or more.....	162	13,588,040	12,844,804	6,464,441	881,602	133,004	474,130	420,449	53,681	-
OCEANIA										
Total.....	333	6,373,504	5,963,736	3,055,427	102,802	83,482	50,895	9,201	41,694	-
Under \$100,000.....	7	33,602	33,574	17,090	118	89	51	7	44	-
\$100,000 under \$1,000,000.....	17	1,369	1,363	641	104	-	48	48	-	-
\$1,000,000 under \$10,000,000.....	71	42,038	37,945	18,701	1,718	419	491	349	142	-
\$10,000,000 under \$100,000,000.....	153	769,681	757,923	384,532	16,606	4,643	6,138	4,214	1,924	-
\$100,000,000 or more.....	85	5,526,814	5,132,931	2,634,463	84,256	78,331	44,167	4,583	39,584	-
PUERTO RICO AND U. S. POSSESSIONS										
Total.....	190	5,749,960	5,240,652	2,676,426	15,114	2,517	5,499	4,796	703	-
Under \$100,000.....	3	21,386	21,379	10,502	192	-	53	53	-	-
\$100,000 under \$1,000,000.....	29	1,119	1,050	425	571	-	316	316	-	-
\$1,000,000 under \$10,000,000.....	53	38,341	32,835	16,163	3,159	180	926	855	71	-
\$10,000,000 under \$100,000,000.....	49	258,909	247,561	123,620	2,064	141	731	700	31	-
\$100,000,000 or more.....	56	5,430,205	4,937,827	2,525,716	9,129	2,196	3,473	2,872	601	-
COUNTRY NOT STATED AND OTHER INCOME FROM OUTSIDE THE U. S.										
Total.....	76	3,259,721	2,964,016	1,487,117	95,424	12,585	9,571	6,068	3,503	-
Under \$100,000.....	1	28	-	1	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	16	2,160	1,761	849	763	36	193	191	2	-
\$1,000,000 under \$10,000,000.....	21	18,252	14,318	7,007	8,977	421	1,469	1,382	87	-
\$10,000,000 under \$100,000,000.....	10	63,168	60,790	31,447	6,195	-	787	787	-	-
\$100,000,000 or more.....	28	3,176,113	2,887,143	1,447,813	79,489	12,128	7,122	3,708	3,414	-

¹With exception of "all geographic areas," data do not include carryovers reported on returns using the overall limitation since these returns indicate only the total carryover and not the amount applicable to each foreign country.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

See text for discussion regarding noncumulative area totals for columns (1) through (4).

Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 7.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U.S. TAX, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID AND BY SIZE OF NET INCOME

Geographic area and size of net income	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes			
					Total (Thousand dollars)	Dividends (Thousand dollars)	Total ¹ (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover ¹ (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
ALL GEOGRAPHIC AREAS										
Total.....	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	2,332,358	1,168,355	589,063	574,940
Under \$100,000.....	1,344	43,661	42,518	14,168	14,062	1,745	5,714	3,609	825	1,280
\$100,000 under \$1,000,000.....	1,196	460,726	533,941	187,671	82,781	17,993	31,151	20,952	6,054	4,145
\$1,000,000 under \$10,000,000.....	941	3,248,872	3,334,523	1,496,712	398,116	149,871	171,572	93,767	57,633	20,172
\$10,000,000 under \$100,000,000.....	312	9,431,880	8,981,405	4,521,329	1,079,702	536,581	642,333	290,872	213,030	138,431
\$100,000,000 or more.....	28	10,777,721	9,999,077	5,151,323	2,020,064	712,159	1,481,588	759,155	311,521	410,912
CANADA										
Total.....	2,569	19,717,445	18,853,847	9,363,858	651,686	312,621	231,579	82,252	149,327	-
Under \$100,000.....	916	29,808	29,846	9,507	6,302	595	1,594	1,335	259	-
\$100,000 under \$1,000,000.....	768	289,051	346,312	111,885	18,964	5,371	6,116	4,166	1,950	-
\$1,000,000 under \$10,000,000.....	630	2,239,140	2,395,451	1,031,739	88,777	41,538	34,215	16,040	18,175	-
\$10,000,000 under \$100,000,000.....	230	7,379,554	7,028,260	3,551,133	241,242	135,189	104,109	39,746	64,363	-
\$100,000,000 or more.....	25	9,779,892	9,053,978	4,659,594	296,401	129,928	85,545	20,965	64,580	-
LATIN AMERICAN REPUBLICS										
Total.....	884	14,182,973	13,344,406	6,647,692	752,977	131,374	531,708	493,849	37,859	-
Under \$100,000.....	156	5,219	4,778	1,829	3,235	139	969	935	34	-
\$100,000 under \$1,000,000.....	240	99,141	87,662	42,285	30,154	3,883	9,848	8,815	1,033	-
\$1,000,000 under \$10,000,000.....	295	1,172,799	1,340,229	558,097	69,743	14,354	26,927	23,573	3,354	-
\$10,000,000 under \$100,000,000.....	171	5,728,512	5,475,182	2,744,090	268,230	61,121	177,808	160,847	16,961	-
\$100,000,000 or more.....	22	7,177,302	6,436,555	3,301,391	381,615	51,877	316,156	299,679	16,477	-
OTHER WESTERN HEMISPHERE										
Total.....	35	1,910,011	1,504,824	739,908	77,005	4,470	28,789	27,969	820	-
Under \$100,000.....	1	19	19	6	1	-	-	-	-	-
\$100,000 under \$1,000,000.....	3	1,153	1,010	386	294	-	108	108	-	-
\$1,000,000 under \$10,000,000.....	11	50,859	41,474	18,085	623	63	202	181	21	-
\$10,000,000 under \$100,000,000.....	15	339,253	304,971	155,352	51,438	2,522	13,206	13,153	53	-
\$100,000,000 or more.....	5	1,518,727	1,157,350	566,079	24,649	1,885	15,273	14,527	746	-
EUROPE										
Total.....	818	13,091,976	12,156,218	6,153,504	864,068	660,602	371,042	93,014	278,028	-
Under \$100,000.....	147	4,453	3,929	1,360	1,418	460	522	310	212	-
\$100,000 under \$1,000,000.....	214	84,509	108,035	35,317	12,794	5,669	4,910	2,751	2,159	-
\$1,000,000 under \$10,000,000.....	290	1,135,202	1,086,629	536,778	125,274	76,346	52,233	20,889	31,344	-
\$10,000,000 under \$100,000,000.....	145	4,775,180	4,603,179	2,320,282	279,647	182,855	114,328	39,643	74,685	-
\$100,000,000 or more.....	22	7,092,632	6,354,446	3,259,767	444,935	395,272	199,049	29,421	169,628	-
AFRICA										
Total.....	214	7,971,502	7,282,360	3,708,916	90,422	72,753	26,510	4,696	21,814	-
Under \$100,000.....	31	1,331	1,189	444	206	20	27	21	6	-
\$100,000 under \$1,000,000.....	49	19,866	18,318	8,610	2,082	228	474	410	64	-
\$1,000,000 under \$10,000,000.....	76	319,950	305,614	150,748	19,098	10,772	4,808	2,164	2,644	-
\$10,000,000 under \$100,000,000.....	44	1,689,503	1,619,353	817,485	52,956	46,846	15,477	1,764	13,713	-
\$100,000,000 or more.....	14	5,940,852	5,337,886	2,731,629	16,080	14,887	5,724	337	5,387	-
ASIA										
Total.....	568	14,471,203	13,700,392	6,890,771	945,227	137,945	501,825	446,510	55,315	-
Under \$100,000.....	108	4,485	3,879	1,472	1,828	337	704	470	234	-
\$100,000 under \$1,000,000.....	132	52,222	51,791	24,888	12,152	1,510	3,878	3,465	413	-
\$1,000,000 under \$10,000,000.....	187	725,122	900,441	338,028	53,829	2,467	24,386	23,629	757	-
\$10,000,000 under \$100,000,000.....	118	4,164,537	3,992,562	2,019,355	130,834	76,802	58,399	25,748	32,651	-
\$100,000,000 or more.....	23	9,525,137	8,751,719	4,507,028	746,584	56,829	414,458	393,198	21,260	-
OCEANIA										
Total.....	333	6,373,504	5,963,736	3,055,427	102,802	83,482	50,895	9,201	41,694	-
Under \$100,000.....	28	1,001	990	369	366	193	171	91	80	-
\$100,000 under \$1,000,000.....	73	31,857	31,005	14,711	2,389	910	743	395	348	-
\$1,000,000 under \$10,000,000.....	145	551,623	522,515	260,141	12,184	2,920	4,790	3,556	1,234	-
\$10,000,000 under \$100,000,000.....	80	2,605,588	2,512,641	1,279,902	25,272	17,978	11,499	4,910	6,589	-
\$100,000,000 or more.....	7	3,183,435	2,896,585	1,500,304	62,591	61,481	33,692	249	33,443	-
PUERTO RICO AND U. S. POSSESSIONS										
Total.....	190	5,749,960	5,240,652	2,676,426	15,114	2,517	5,499	4,796	703	-
Under \$100,000.....	39	1,488	1,303	509	626	-	396	396	-	-
\$100,000 under \$1,000,000.....	42	16,760	14,486	6,469	2,134	1	483	483	-	-
\$1,000,000 under \$10,000,000.....	58	240,880	219,838	105,077	3,376	320	1,078	976	102	-
\$10,000,000 under \$100,000,000.....	40	1,220,156	1,145,826	569,942	6,534	2,196	2,763	2,162	601	-
\$100,000,000 or more.....	11	4,270,676	3,859,199	1,994,429	2,444	-	779	779	-	-
COUNTRY NOT STATED AND OTHER INCOME FROM OUTSIDE THE U.S.										
Total.....	76	3,259,721	2,964,016	1,487,117	95,424	12,585	9,571	6,068	3,503	-
Under \$100,000.....	18	479	372	125	80	1	51	51	-	-
\$100,000 under \$1,000,000.....	17	8,178	5,945	2,641	1,818	421	446	359	87	-
\$1,000,000 under \$10,000,000.....	15	64,762	59,074	28,393	25,212	1,091	2,761	2,759	2	-
\$10,000,000 under \$100,000,000.....	19	607,757	578,033	296,225	23,549	11,072	6,313	2,899	3,414	-
\$100,000,000 or more.....	7	2,578,545	2,320,592	1,159,733	44,765	-	-	-	-	-

¹With exception of "all geographic areas," data do not include carryovers reported on returns using the overall limitation since these returns indicate only the total carryover and not the amount applicable to each foreign country.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

See text for discussion regarding noncumulative area totals for columns (1) through (4).

Detail may not add to total due to rounding.

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Table 8.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY INDUSTRIAL DIVISION

Geographic area and industrial division	Number of returns	Net income (Thousands of dollars)	Income subject to U.S. tax (Thousands of dollars)	Income tax before foreign tax credit (Thousands of dollars)	Taxable income from Foreign sources		Foreign taxes				Foreign tax credit claimed (Thousands of dollars)
					Total (Thousands of dollars)	Foreign dividends (Thousands of dollars)	Total (Thousands of dollars)	Paid or accrued (Thousands of dollars)	Deemed paid (Thousands of dollars)	Carry-over (Thousands of dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RETURNS USING THE PER-COUNTRY LIMITATION											
All geographic areas, total.....					2,211,901	661,526	1,803,448	984,276	244,663	574,509	968,956
Agriculture, forestry and fisheries.....					377	23	71	48	6	17	69
Mining.....					585,160	5,096	528,209	368,577	1,476	158,166	281,951
Construction.....					21,232	5,011	7,171	5,282	1,280	609	6,157
Manufacturing.....					1,297,892	518,445	1,145,866	550,871	190,586	404,409	567,561
Transportation, communication, electric, gas, and sanitary services.....			Not available		19,032	5,903	5,281	2,856	2,203	222	4,892
Wholesale and retail trade.....					149,163	97,587	74,666	30,864	36,520	7,282	62,074
Finance, insurance, and real estate.....					123,127	27,179	38,706	23,058	12,029	3,619	33,283
Services.....					15,918	2,282	3,388	2,640	563	185	2,960
Nature of business not allocable.....					-	-	-	-	-	-	-
Canada, total.....	2,260	10,868,803	10,453,540	5,106,132	278,795	134,789	118,496	46,641	58,217	13,638	96,751
Agriculture, forestry, and fisheries.....	10	11,076	10,112	3,431	284	7	36	19	-	17	36
Mining.....	36	149,295	101,878	50,704	11,300	1,976	11,948	5,971	686	5,201	4,900
Construction.....	36	49,078	40,196	18,942	4,953	746	2,577	1,934	320	2,016	2,016
Manufacturing.....	999	5,835,918	5,321,627	2,722,660	157,943	108,973	75,805	23,544	46,534	5,727	65,274
Transportation, communication, electric, gas, and sanitary services.....	37	2,803,878	2,754,401	1,425,923	9,772	4,303	3,357	1,238	2,018	101	2,902
Wholesale and retail trade.....	221	457,677	443,277	226,756	7,113	2,721	2,925	1,567	1,213	145	2,565
Finance, insurance, and real estate.....	753	1,509,193	1,730,669	632,155	83,215	15,577	21,061	11,814	7,235	2,012	18,328
Services.....	168	52,688	51,380	25,561	4,215	486	787	554	211	22	730
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Latin American Republics, total.....	665	6,015,193	5,577,661	2,712,746	582,560	66,336	895,078	437,400	16,014	441,664	260,621
Agriculture, forestry, and fisheries.....	2	281	281	143	30	-	9	-	-	-	9
Mining.....	24	182,569	141,603	72,317	102,700	2,066	177,012	93,279	488	83,245	46,749
Construction.....	15	36,260	26,239	12,824	6,372	3,600	1,511	594	752	165	1,309
Manufacturing.....	368	4,369,523	3,827,587	1,964,125	420,837	47,505	698,787	331,392	10,671	356,724	196,700
Transportation, communication, electric, gas, and sanitary services.....	41	664,425	636,670	322,667	3,625	161	630	478	54	98	707
Wholesale and retail trade.....	132	264,913	248,168	119,472	38,911	9,851	14,696	10,089	3,446	1,161	13,090
Finance, insurance, and real estate.....	51	467,736	668,198	206,659	8,586	3,153	2,006	1,230	603	173	1,754
Services.....	32	29,486	28,915	14,539	1,499	-	427	329	-	98	303
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Other Western Hemisphere, total.....	18	1,141,011	750,476	390,291	66,417	4,449	47,075	27,622	814	18,639	21,768
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	-	13,752	10,040	5,218	10,050	-	2,812	2,812	-	-	2,812
Construction.....	2	11,264	8,904	4,566	501	211	154	107	28	19	127
Manufacturing.....	6	1,024,873	662,721	348,360	53,773	1,885	42,858	24,679	746	17,433	17,784
Transportation, communication, electric, gas, and sanitary services.....	-	-	-	-	-	-	-	-	-	-	-
Wholesale and retail trade.....	2	26,921	26,789	13,919	2,012	2,353	1,232	5	40	1,187	1,030
Finance, insurance, and real estate.....	5	53,169	30,990	12,623	74	-	19	19	-	-	15
Services.....	2	11,032	11,032	5,605	-	-	-	-	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Europe, total.....	4	4,701,860	4,176,358	2,108,524	370,980	276,731	165,063	52,104	102,526	10,433	153,624
Agriculture, forestry, and fisheries.....	3	1,147	1,133	477	63	16	26	20	6	-	24
Mining.....	6	23,827	17,402	8,774	500	416	377	93	61	223	200
Construction.....	3	17,986	15,092	7,618	4,342	451	2,092	1,810	180	102	1,919
Manufacturing.....	344	3,967,347	3,465,099	1,777,367	310,710	243,194	137,385	38,351	91,472	7,562	129,477
Transportation, communication, electric, gas, and sanitary services.....	4	143,693	134,840	69,130	800	311	262	223	39	-	262
Wholesale and retail trade.....	72	240,676	234,293	112,534	33,117	23,057	14,784	6,536	6,498	1,750	13,151
Finance, insurance, and real estate.....	119	275,081	276,955	116,849	16,169	7,547	9,102	4,385	3,939	778	7,620
Services.....	19	32,103	31,544	15,775	5,279	1,739	1,035	686	331	18	971
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Africa, total.....	139	2,522,132	2,041,263	1,047,014	58,912	48,263	18,019	3,308	14,257	454	17,341
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	4	81,277	60,129	31,236	16	50	20	-	-	-	-
Construction.....	3	2,505	2,470	1,252	428	2	51	51	-	4	17
Manufacturing.....	85	2,154,704	1,713,207	887,881	43,605	40,147	13,006	1,131	11,572	303	12,475
Transportation, communication, electric, gas, and sanitary services.....	-	-	-	-	-	-	-	-	-	-	-
Wholesale and retail trade.....	19	222,797	215,949	104,525	14,123	8,026	4,851	2,051	2,669	131	4,736
Finance, insurance, and real estate.....	20	36,037	24,790	9,437	145	23	61	39	6	16	37
Services.....	8	24,812	24,718	12,683	595	15	30	25	5	-	25
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Asia, total.....	417	8,144,590	7,753,420	3,865,696	823,362	116,198	546,234	408,984	48,021	89,229	406,325
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	12	522,422	507,080	263,176	460,097	91	335,921	266,491	27	69,403	237,064
Construction.....	12	24,415	19,308	8,950	4,475	1	682	682	-	-	681
Manufacturing.....	253	4,323,214	3,804,137	1,958,519	289,000	64,580	170,441	127,840	26,014	16,587	138,453
Transportation, communication, electric, gas, and sanitary services.....	20	2,587,765	2,544,885	1,315,799	4,761	1,127	1,015	900	92	23	1,004
Wholesale and retail trade.....	56	223,538	220,893	106,015	52,101	49,879	32,670	8,343	21,772	2,555	24,556
Finance, insurance, and real estate.....	40	435,852	629,847	199,493	10,683	520	4,775	4,039	116	620	3,922
Services.....	24	27,384	27,270	13,744	2,245	-	730	689	-	41	645
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 8.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY INDUSTRIAL DIVISION—Continued

Geographic area and industrial division	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RETURNS USING THE PER-COUNTRY LIMITATION—Con.											
Oceania, total.....	223	1,695,544	1,631,753	826,865	22,143	13,136	9,879	4,985	4,563	331	9,269
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	-	-	-	-	-	-	-	-	-	-	-
Construction.....	-	-	-	-	-	-	-	-	-	-	-
Manufacturing.....	179	1,453,102	1,407,678	716,787	15,620	11,036	5,983	2,380	3,563	40	5,880
Transportation, communication, electric, gas, and sanitary services.....	1	2,840	2,370	736	1	1	-	-	-	-	-
Wholesale and retail trade.....	16	170,369	169,070	86,449	2,704	1,700	2,644	1,525	854	265	2,209
Finance, insurance, and real estate.....	19	42,232	25,635	9,213	2,729	357	1,182	1,032	130	20	1,121
Services.....	8	27,001	27,000	13,680	1,089	42	70	48	16	6	59
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	134	2,238,110	1,828,327	937,780	6,955	40	2,439	2,378	28	33	2,202
Agriculture, forestry, and fisheries.....	2	523	459	121	-	-	-	-	-	-	-
Mining.....	-	-	-	-	-	-	-	-	-	-	-
Construction.....	9	8,971	5,359	1,867	161	-	104	104	-	-	54
Manufacturing.....	34	1,638,994	1,267,941	659,927	2,239	39	778	745	-	33	695
Transportation, communication, electric, gas, and sanitary services.....	1	128,327	119,948	62,463	73	-	17	17	-	-	17
Wholesale and retail trade.....	27	57,254	50,894	25,254	1,970	-	731	703	28	-	714
Finance, insurance, and real estate.....	40	378,374	358,139	175,414	1,523	1	500	500	-	-	486
Services.....	21	25,667	25,587	12,734	989	-	309	309	-	-	236
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Country not stated and other income from outside the U. S., total.....	25	90,757	79,643	40,647	1,777	1,584	1,165	854	223	88	1,055
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	1	12,597	7,352	3,814	497	497	209	-	209	-	209
Construction.....	2	744	693	311	-	-	-	-	-	-	-
Manufacturing.....	3	61,587	56,445	28,513	4,165	1,086	823	809	14	-	823
Transportation, communication, electric, gas, and sanitary services.....	1	903	899	460	-	-	-	-	-	-	-
Wholesale and retail trade.....	2	13,783	13,716	7,394	12,888	-	133	45	-	88	23
Finance, insurance, and real estate.....	16	1,143	538	155	3	1	-	-	-	-	-
Services.....	-	-	-	-	-	-	-	-	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
RETURNS USING THE OVERALL LIMITATION											
All geographic areas, total.....	-	-	-	-	1,382,824	756,823	528,910	184,079	344,400	431	508,007
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	-	-	-	-	15,183	4,264	7,253	6,010	1,243	-	6,013
Construction.....	-	-	-	-	5,546	2,186	1,532	936	594	2	1,509
Manufacturing.....	-	-	-	-	1,070,042	649,465	428,535	130,432	297,975	128	412,154
Transportation, communication, electric, gas, and sanitary services.....	-	-	-	-	21,454	1,744	3,324	2,720	604	-	3,018
Wholesale and retail trade.....	-	-	-	-	43,609	35,553	21,256	4,860	16,208	188	19,702
Finance, insurance, and real estate.....	-	-	-	-	147,228	27,771	36,949	27,195	9,753	1	36,013
Services.....	-	-	-	-	79,762	35,840	30,061	11,926	18,023	112	29,598
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Canada, total.....	309	8,848,642	8,400,307	4,257,726	372,891	177,832	126,721	35,611	91,110	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	3	33,388	33,388	17,194	636	377	371	190	181	-	-
Construction.....	4	19,281	16,240	7,645	1,198	700	508	165	343	-	-
Manufacturing.....	183	7,435,216	7,059,164	3,590,523	293,880	154,029	102,921	22,976	79,945	-	-
Transportation, communication, electric, gas, and sanitary services.....	4	69,130	68,276	34,912	3,674	1,124	1,439	1,075	364	-	-
Wholesale and retail trade.....	9	121,631	109,982	50,031	8,390	8,038	5,304	1,242	4,062	-	-
Finance, insurance, and real estate.....	93	1,050,712	998,852	498,357	54,345	6,215	10,150	7,625	2,525	-	-
Services.....	13	119,284	114,405	59,064	10,768	7,349	6,028	2,338	3,690	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Latin American Republics, total.....	219	8,167,780	7,766,745	3,934,946	170,417	65,038	78,294	56,449	21,845	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	6	38,412	38,027	19,567	4,471	3,420	1,651	701	950	-	-
Construction.....	6	16,164	15,844	7,505	2,486	351	761	632	129	-	-
Manufacturing.....	143	7,173,925	6,809,587	3,460,531	121,043	54,089	62,641	44,435	18,206	-	-
Transportation, communication, electric, gas, and sanitary services.....	6	97,308	94,252	46,093	3,258	548	913	685	228	-	-
Wholesale and retail trade.....	25	67,857	55,985	22,914	9,619	5,125	3,901	2,127	1,774	-	-
Finance, insurance, and real estate.....	25	691,810	671,290	336,097	27,047	460	6,084	5,955	129	-	-
Services.....	8	82,304	81,760	42,239	2,493	1,045	2,343	1,914	429	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Other Western Hemisphere, total.....	17	769,000	754,348	349,617	10,588	21	353	347	6	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	1	1,017	744	380	459	-	169	169	-	-	-
Construction.....	-	-	-	-	-	-	-	-	-	-	-
Manufacturing.....	6	447,020	437,386	197,431	9,105	16	6	-	6	-	-
Transportation, communication, electric, gas, and sanitary services.....	1	7,671	7,671	1,941	29	-	-	-	-	-	-
Wholesale and retail trade.....	-	-	-	-	-	-	-	-	-	-	-
Finance, insurance, and real estate.....	6	247,967	243,227	116,079	879	5	126	126	-	-	-
Services.....	3	65,325	65,320	33,786	116	-	52	52	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-

Footnote at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 8.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY INDUSTRIAL DIVISION—Continued

Geographic area and industrial division	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)	
RETURNS USING THE OVERALL LIMITATION—Continued	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Europe, total.....	245	8,390,116	7,979,860	4,044,980	493,088	383,871	216,412	40,910	175,502	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	5	39,887	39,881	20,562	505	426	242	130	112	-	-
Construction.....	3	12,933	12,895	5,994	390	-	88	88	-	-	-
Manufacturing.....	162	7,210,323	6,836,891	3,476,922	394,656	321,603	174,191	27,747	146,444	-	-
Transportation, communication, electric, gas, and sanitary services.....	3	74,446	74,080	35,893	1,291	-	123	123	-	-	-
Wholesale and retail trade.....	10	66,194	65,677	32,566	22,347	22,275	11,387	1,036	10,351	-	-
Finance, insurance, and real estate.....	51	883,157	848,404	420,315	25,877	13,079	11,407	6,284	5,123	-	-
Services.....	11	103,176	102,032	52,728	48,022	26,488	18,974	5,502	13,472	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Africa, total.....	75	5,449,370	5,241,097	2,661,902	31,510	24,490	8,945	1,388	7,557	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	3	36,739	36,739	18,920	1,809	-	133	133	-	-	-
Construction.....	1	2,559	2,530	693	1,135	1,135	122	-	122	-	-
Manufacturing.....	46	5,046,403	4,847,698	2,471,904	17,490	16,022	6,017	396	5,621	-	-
Transportation, communication, electric, gas, and sanitary services.....	3	53,899	53,533	25,606	1,419	-	131	131	-	-	-
Wholesale and retail trade.....	3	1,213	1,068	533	53	23	14	5	9	-	-
Finance, insurance, and real estate.....	14	246,649	237,651	112,271	8,857	7,234	2,384	601	1,783	-	-
Services.....	5	61,908	61,878	31,975	747	76	144	122	22	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Asia, total.....	151	6,326,613	5,946,972	3,025,075	121,865	21,747	44,820	37,526	7,294	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	6	43,480	43,474	22,406	7,296	41	4,684	4,684	-	-	-
Construction.....	2	9,619	9,590	4,224	297	-	51	51	-	-	-
Manufacturing.....	96	5,536,237	5,179,621	2,644,112	93,785	20,834	32,468	25,571	6,897	-	-
Transportation, communication, electric, gas, and sanitary services.....	4	56,876	55,841	26,778	2,238	-	387	387	-	-	-
Wholesale and retail trade.....	5	1,163	1,155	577	211	89	33	21	12	-	-
Finance, insurance, and real estate.....	20	599,728	578,398	286,284	12,968	153	5,663	5,600	63	-	-
Services.....	18	79,510	78,893	40,694	5,070	630	1,534	1,212	322	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Oceania, total.....	110	4,677,960	4,331,983	2,228,562	80,659	70,346	41,347	4,216	37,131	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	1	32,559	32,559	16,808	7	-	3	3	-	-	-
Construction.....	1	4,769	4,731	1,946	40	-	-	-	-	-	-
Manufacturing.....	91	4,463,135	4,130,448	2,129,277	79,524	70,070	40,938	3,895	37,043	-	-
Transportation, communication, electric, gas, and sanitary services.....	2	66,775	66,409	33,952	66	-	15	15	-	-	-
Wholesale and retail trade.....	-	-	-	-	-	-	-	-	-	-	-
Finance, insurance, and real estate.....	8	30,693	18,442	5,564	179	24	94	94	-	-	-
Services.....	7	80,029	79,394	41,015	843	252	297	209	88	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	56	3,511,850	3,412,325	1,738,646	8,159	2,477	3,093	2,418	675	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	-	-	-	-	-	-	-	-	-	-	-
Construction.....	-	-	-	-	-	-	-	-	-	-	-
Manufacturing.....	29	2,728,307	2,659,368	1,370,819	4,053	2,294	1,968	1,336	632	-	-
Transportation, communication, electric, gas, and sanitary services.....	2	15,114	15,114	5,634	567	-	93	93	-	-	-
Wholesale and retail trade.....	5	108,583	97,284	44,185	573	3	134	134	-	-	-
Finance, insurance, and real estate.....	14	635,510	616,228	305,394	2,598	180	799	756	43	-	-
Services.....	6	24,336	24,331	12,614	368	-	99	99	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Country not stated and other income from outside the U. S., total.....	51	3,168,964	2,884,373	1,446,470	93,547	11,001	8,494	5,214	3,280	-	-
Agriculture, forestry, and fisheries.....	-	-	-	-	-	-	-	-	-	-	-
Mining.....	-	-	-	-	-	-	-	-	-	-	-
Construction.....	-	-	-	-	-	-	-	-	-	-	-
Manufacturing.....	26	2,776,587	2,506,516	1,265,396	56,506	10,508	7,257	4,076	3,181	-	-
Transportation, communication, electric, gas, and sanitary services.....	5	51,496	50,114	23,887	8,912	72	223	211	12	-	-
Wholesale and retail trade.....	4	3,471	2,530	1,293	2,416	-	295	295	-	-	-
Finance, insurance, and real estate.....	12	311,522	301,839	143,783	14,478	421	241	154	87	-	-
Services.....	4	25,888	23,374	12,111	11,335	-	478	478	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-

¹Loss.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

With the exception of "all geographic areas," data for tax carryover and the foreign tax credit are not available for returns using the overall limitation. Taxpayers using this limitation method are required to provide only summary totals, and not "country" data, for the two items. Consequently, the overall limitation data for Total foreign taxes, column (7), include carryover only for the "all geographic areas" summary totals.

Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 9.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY SIZE OF TOTAL ASSETS

Geographic area and size of total assets	Number of returns	Net income	Income subject to U.S. tax	U.S. income tax before foreign tax credit	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed
		(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)	(Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RETURNS WITH PER-COUNTRY LIMITATION											
All geographic areas. total.....					2,211,901	661,526	1,803,448	984,276	244,663	574,509	968,956
Under \$100,000.....					2,731	411	1,474	655	190	629	709
\$100,000 under \$1,000,000.....					15,618	104	4,375	4,184	22	169	3,711
\$1,000,000 under \$10,000,000.....					71,678	15,559	29,655	19,555	4,818	5,282	21,464
\$10,000,000 under \$100,000,000.....					273,002	84,059	234,991	110,415	33,164	91,412	101,788
\$100,000,000 or more.....					1,848,872	561,393	1,532,953	849,467	206,469	477,017	841,284
Canada, total.....	2,260	10,868,803	10,453,540	5,106,132	278,795	134,789	118,496	46,641	58,217	13,638	96,751
Under \$100,000.....	150	93,563	92,832	46,900	923	245	302	173	115	14	264
\$100,000 under \$1,000,000.....	572	23,588	19,744	7,730	4,320	47	1,060	1,040	16	4	880
\$1,000,000 under \$10,000,000.....	812	352,859	330,449	150,865	18,382	7,024	7,693	3,755	2,631	1,307	5,709
\$10,000,000 under \$100,000,000.....	494	1,436,739	1,549,052	681,871	44,770	19,761	18,322	8,089	8,821	1,412	15,468
\$100,000,000 or more.....	232	8,962,054	8,461,463	4,218,766	210,400	107,712	91,119	33,584	46,634	10,901	74,430
Latin American Republics, total.....	665	6,015,193	5,577,661	2,712,746	582,560	66,336	895,078	437,400	16,014	441,664	260,621
Under \$100,000.....	19	34,401	34,255	17,422	433	40	753	129	16	608	96
\$100,000 under \$1,000,000.....	127	11,468	9,564	4,397	7,354	15	1,713	1,557	2	154	1,518
\$1,000,000 under \$10,000,000.....	185	100,976	87,353	43,425	24,356	4,660	10,646	7,259	909	2,478	6,742
\$10,000,000 under \$100,000,000.....	199	881,508	840,281	428,042	95,114	11,529	157,306	70,928	2,800	83,578	39,657
\$100,000,000 or more.....	135	4,986,840	4,606,208	2,219,460	455,303	50,092	724,660	357,527	12,287	354,846	212,608
Other Western Hemisphere, total.....	18	1,141,011	750,476	390,291	66,417	4,449	47,075	27,622	814	18,639	21,768
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	2	604	461	224	293	-	127	108	-	19	100
\$10,000,000 under \$100,000,000.....	5	38,937	32,993	16,961	10,348	269	2,866	2,817	49	-	2,866
\$100,000,000 or more.....	11	1,101,470	717,022	373,106	55,776	4,180	44,882	24,697	765	18,620	18,802
Europe, total.....	573	4,701,860	4,176,358	2,108,524	370,980	276,731	165,063	52,104	102,526	10,433	153,624
Under \$100,000.....	15	53,165	53,135	26,648	393	22	231	214	10	7	169
\$100,000 under \$1,000,000.....	113	5,046	4,840	1,953	931	32	291	287	-	4	268
\$1,000,000 under \$10,000,000.....	163	93,572	84,665	38,866	7,967	3,025	3,804	1,980	962	862	2,775
\$10,000,000 under \$100,000,000.....	196	828,252	835,845	406,638	80,889	47,338	39,167	12,956	19,917	6,294	30,989
\$100,000,000 or more.....	86	3,721,825	3,197,873	1,634,419	280,800	226,314	121,570	36,667	81,637	3,266	119,423
Africa, total.....	139	2,522,132	2,041,263	1,047,014	58,912	48,263	18,019	3,308	14,257	454	17,341
Under \$100,000.....	4	33	33	11	23	15	7	2	5	-	3
\$100,000 under \$1,000,000.....	12	540	520	216	51	-	4	-	-	-	4
\$1,000,000 under \$10,000,000.....	40	18,300	17,882	8,983	4,185	81	1,261	1,241	13	7	1,254
\$10,000,000 under \$100,000,000.....	50	201,189	197,458	100,077	4,547	1,623	1,343	842	501	-	1,319
\$100,000,000 or more.....	33	2,302,070	1,825,370	937,727	50,106	46,544	15,404	1,219	13,738	447	14,761
Asia, total.....	417	8,144,590	7,753,420	3,865,696	823,362	116,198	546,234	408,984	48,021	89,229	406,325
Under \$100,000.....	15	54,406	54,346	27,551	667	-	82	82	-	-	82
\$100,000 under \$1,000,000.....	87	6,788	6,640	3,001	2,315	10	955	951	4	-	784
\$1,000,000 under \$10,000,000.....	104	59,645	57,901	28,948	12,638	386	4,901	4,304	146	451	3,923
\$10,000,000 under \$100,000,000.....	112	450,503	431,893	212,508	26,030	2,078	11,914	11,274	540	100	7,464
\$100,000,000 or more.....	99	7,573,248	7,202,640	3,593,688	781,712	113,724	528,382	392,373	47,331	88,678	394,072
Oceania, total.....	223	1,695,544	1,631,753	826,865	22,143	13,136	9,879	4,985	4,563	331	9,269
Under \$100,000.....	5	33,532	33,504	17,060	100	89	46	2	44	-	42
\$100,000 under \$1,000,000.....	16	1,337	1,331	630	77	-	36	29	-	7	24
\$1,000,000 under \$10,000,000.....	60	33,281	29,236	14,272	1,416	382	406	224	129	53	321
\$10,000,000 under \$100,000,000.....	103	393,343	387,014	195,877	10,148	1,421	3,687	3,134	536	17	3,644
\$100,000,000 or more.....	39	1,234,051	1,180,668	599,026	10,402	11,244	5,704	1,596	3,854	254	5,238
Puerto Rico and U. S. Possessions, total.....	134	2,238,110	1,828,327	937,780	6,955	40	2,439	2,378	28	33	2,202
Under \$100,000.....	3	21,386	21,379	10,502	192	-	53	53	-	-	53
\$100,000 under \$1,000,000.....	28	1,113	1,048	425	569	-	316	316	-	-	233
\$1,000,000 under \$10,000,000.....	46	27,625	22,250	10,704	2,383	-	684	639	28	17	617
\$10,000,000 under \$100,000,000.....	32	161,864	151,965	76,152	1,156	40	386	375	-	11	381
\$100,000,000 or more.....	25	2,026,122	1,631,685	839,997	2,655	-	1,000	995	-	5	918
Country not stated and other income from outside the U.S., total.....	25	90,757	79,643	40,647	1,777	1,584	1,165	854	223	88	1,055
Under \$100,000.....	1	28	4	1	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	12	250	221	68	1	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	6	1,998	1,406	629	58	1	133	45	-	88	23
\$10,000,000 under \$100,000,000.....	1	590	555	251	-	-	-	-	-	-	-
\$100,000,000 or more.....	5	87,891	77,457	39,698	1,718	1,583	1,032	809	223	-	1,032

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 9.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY SIZE OF TOTAL ASSETS—Continued

Geographic area and size of total assets	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Total (Thousand dollars)	Foreign dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RETURNS USING THE OVERALL LIMITATION											
All geographic areas, total.....					1,382,824	756,823	528,910	184,079	344,400	431	508,007
Under \$100,000.....					3,118	3,100	1,475	616	824	35	1,419
\$100,000 under \$1,000,000.....					2,529	1,113	1,185	580	605	-	966
\$1,000,000 under \$10,000,000.....					44,090	14,399	17,901	11,874	5,802	225	15,327
\$10,000,000 under \$100,000,000.....					107,508	51,062	42,759	22,716	19,872	171	40,978
\$100,000,000 or more.....					1,225,579	687,149	465,590	148,293	317,297	-	449,317
Canada, total.....	309	8,848,642	8,400,307	4,257,726	372,891	177,832	126,721	35,611	91,110	-	-
Under \$100,000.....	2	2,931	2,892	1,495	202	208	159	60	99	-	-
\$100,000 under \$1,000,000.....	22	335	168	46	47	-	7	-	-	-	-
\$1,000,000 under \$10,000,000.....	70	44,888	41,687	20,271	4,896	1,274	2,127	1,561	566	-	-
\$10,000,000 under \$100,000,000.....	113	711,472	688,174	349,565	23,088	16,409	12,102	4,543	7,559	-	-
\$100,000,000 or more.....	102	8,089,016	7,667,386	3,886,349	344,658	159,941	112,326	29,440	82,886	-	-
Latin American Republics, total.....	219	8,167,780	7,766,745	3,934,946	170,417	65,038	78,294	56,449	21,845	-	-
Under \$100,000.....	1	2,917	2,878	1,491	231	144	110	41	69	-	-
\$100,000 under \$1,000,000.....	11	280	280	119	72	-	9	-	-	-	-
\$1,000,000 under \$10,000,000.....	52	34,467	32,319	15,822	5,137	292	2,075	1,983	92	-	-
\$10,000,000 under \$100,000,000.....	78	586,048	574,568	293,757	17,880	3,600	7,137	6,014	1,123	-	-
\$100,000,000 or more.....	77	7,544,068	7,156,700	3,623,757	147,097	61,002	68,963	48,402	20,561	-	-
Other Western Hemisphere, total.....	17	769,000	754,348	349,617	10,588	21	353	347	6	-	-
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	2	1,036	763	386	460	-	169	169	-	-	-
\$10,000,000 under \$100,000,000.....	5	31,564	31,058	15,654	37	5	6	-	-	-	-
\$100,000,000 or more.....	10	736,400	722,527	333,577	10,091	16	178	172	6	-	-
Europe, total.....	245	8,390,116	7,979,860	4,044,980	493,088	383,871	216,412	40,910	175,502	-	-
Under \$100,000.....	4	3,779	3,740	1,927	2,522	2,566	1,096	498	598	-	-
\$100,000 under \$1,000,000.....	7	1,329	1,224	603	970	766	470	97	373	-	-
\$1,000,000 under \$10,000,000.....	55	47,286	45,215	22,229	13,245	11,139	6,080	1,378	4,702	-	-
\$10,000,000 under \$100,000,000.....	93	553,200	542,470	274,383	36,045	23,885	14,429	5,518	8,911	-	-
\$100,000,000 or more.....	86	7,784,522	7,387,211	3,745,838	440,306	345,515	194,337	33,419	160,918	-	-
Africa, total.....	75	5,449,370	5,241,097	2,661,902	31,510	24,490	8,945	1,388	7,557	-	-
Under \$100,000.....	2	2,931	2,892	1,495	145	182	70	12	58	-	-
\$100,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	15	10,378	10,001	4,914	1,378	35	151	139	12	-	-
\$10,000,000 under \$100,000,000.....	25	139,354	135,169	68,991	4,549	2,706	649	216	433	-	-
\$100,000,000 or more.....	33	5,296,707	5,093,035	2,586,502	29,438	21,567	8,075	1,021	7,054	-	-
Asia, total.....	151	6,326,613	5,946,972	3,025,075	121,865	21,747	44,820	37,526	7,294	-	-
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	12	842	841	374	650	311	487	257	230	-	-
\$1,000,000 under \$10,000,000.....	35	41,383	40,710	20,917	8,977	1,022	5,253	4,966	287	-	-
\$10,000,000 under \$100,000,000.....	41	269,596	263,257	133,031	12,348	1,134	4,654	4,227	427	-	-
\$100,000,000 or more.....	63	6,014,792	5,642,164	2,870,753	99,890	19,280	34,426	28,076	6,350	-	-
Oceania, total.....	110	4,677,960	4,331,983	2,228,562	80,659	70,346	41,347	4,216	37,131	-	-
Under \$100,000.....	2	70	70	30	18	-	5	-	-	-	-
\$100,000 under \$1,000,000.....	1	32	32	11	27	-	19	-	-	-	-
\$1,000,000 under \$10,000,000.....	11	8,757	8,709	4,429	302	37	138	125	13	-	-
\$10,000,000 under \$100,000,000.....	50	376,338	370,909	188,655	6,458	3,222	2,468	1,080	1,388	-	-
\$100,000,000 or more.....	46	4,292,763	3,952,263	2,035,437	73,854	67,087	38,717	2,987	35,730	-	-
Puerto Rico and U. S. Possessions, total.....	56	3,511,850	3,412,325	1,738,646	8,159	2,477	3,093	2,418	675	-	-
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	1	6	2	-	1	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	7	10,716	10,585	5,459	776	180	259	216	43	-	-
\$10,000,000 under \$100,000,000.....	17	97,045	95,596	47,468	908	101	356	325	31	-	-
\$100,000,000 or more.....	31	3,404,083	3,306,142	1,685,719	6,474	2,196	2,478	1,877	601	-	-
Country not stated and other income from outside the U.S., total.....	51	3,168,964	2,884,373	1,446,470	93,647	11,001	8,494	5,214	3,280	-	-
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	4	1,910	1,540	781	762	36	193	191	2	-	-
\$1,000,000 under \$10,000,000.....	15	16,254	12,912	6,378	8,919	420	1,424	1,337	87	-	-
\$10,000,000 under \$100,000,000.....	9	62,578	60,235	31,196	6,195	-	787	787	-	-	-
\$100,000,000 or more.....	23	3,088,222	2,809,686	1,408,115	77,771	10,545	6,090	2,899	3,191	-	-

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

With the exception of "all geographic areas," data for tax carryover and the foreign tax credit are not available for returns using the overall limitation. Taxpayers using this limitation method are required to provide only summary totals, and not "country" data, for the two items. Consequently, the overall limitation data for Total foreign taxes, column (7), include carryover only for the "all geographic areas" summary totals.

Detail may not add to total due to rounding.

Table 10.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY SIZE OF NET INCOME

Geographic area and size of net income	Number of returns	Net income	Income subject to U. S. tax	U. S. income tax before foreign tax credit	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed
		(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	Total (Thousand dollars)	Dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)	(Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
RETURNS USING THE PER COUNTRY LIMITATION											
All geographic areas, total.....					2,211,901	661,526	1,803,448	984,276	244,663	574,509	968,956
Under \$100,000.....					12,496	1,183	4,843	3,157	493	1,193	2,779
\$100,000 under \$1,000,000.....					66,496	12,322	24,802	16,948	3,873	3,981	18,768
\$1,000,000 under \$10,000,000.....					245,869	88,759	121,526	66,530	35,004	19,992	88,863
\$10,000,000 under \$100,000,000.....					622,610	245,754	444,566	220,004	86,131	138,341	229,866
\$100,000,000 or more.....					1,264,430	313,508	1,207,711	677,637	119,162	410,912	628,680
Canada, total.....	2,260	10,868,803	10,453,540	5,106,132	278,795	134,789	118,496	46,641	58,217	13,638	96,751
Under \$100,000.....	876	28,816	29,154	9,266	6,119	586	1,734	1,302	258	174	1,145
\$100,000 under \$1,000,000.....	716	267,826	327,642	103,613	15,919	3,939	5,317	3,510	1,337	470	4,461
\$1,000,000 under \$10,000,000.....	513	1,742,199	1,930,454	800,125	60,411	25,561	24,880	10,770	11,385	2,725	20,177
\$10,000,000 under \$100,000,000.....	146	4,610,844	4,358,940	2,209,922	116,082	36,606	46,117	20,429	17,742	7,946	35,435
\$100,000,000 or more.....	9	4,219,118	3,807,350	1,983,206	80,264	68,103	40,448	10,630	27,495	2,323	35,533
Latin American Republics, total.....	665	6,015,193	5,577,661	2,712,746	582,560	66,336	895,078	437,400	16,014	441,664	260,621
Under \$100,000.....	137	4,684	4,279	1,644	2,851	78	1,644	857	22	765	709
\$100,000 under \$1,000,000.....	203	83,987	73,583	35,853	25,238	3,165	10,462	7,003	797	2,662	6,605
\$1,000,000 under \$10,000,000.....	213	818,924	995,638	386,921	56,087	12,076	31,986	19,945	2,571	9,470	18,916
\$10,000,000 under \$100,000,000.....	105	3,344,083	3,172,738	1,589,574	217,607	34,749	280,048	148,003	8,932	123,113	90,199
\$100,000,000 or more.....	7	1,763,515	1,331,423	698,576	280,777	16,268	570,938	261,592	3,692	305,654	144,192
Other Western Hemisphere, total.....	18	1,141,011	750,476	390,291	66,417	4,449	47,075	27,622	814	18,639	21,768
Under \$100,000.....	-	-	-	-	-	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	3	1,153	1,010	386	294	-	127	-	-	-	-
\$1,000,000 under \$10,000,000.....	4	19,826	11,170	4,832	97	58	27	108	6	19	100
\$10,000,000 under \$100,000,000.....	9	174,512	143,153	71,671	51,247	2,506	14,437	13,099	47	1,291	14,050
\$100,000,000 or more.....	2	945,520	595,143	313,402	14,779	1,885	32,484	14,409	746	17,329	7,591
Europe, total.....	573	4,701,860	4,176,358	2,108,524	370,980	276,731	165,063	52,104	102,526	10,433	153,624
Under \$100,000.....	133	3,720	3,332	1,123	1,184	280	431	274	123	34	279
\$100,000 under \$1,000,000.....	169	65,564	90,598	27,498	8,088	3,038	3,669	1,944	1,079	646	2,904
\$1,000,000 under \$10,000,000.....	191	745,603	717,373	356,654	76,774	45,527	40,942	14,578	19,569	6,795	32,092
\$10,000,000 under \$100,000,000.....	74	2,355,115	2,257,237	1,139,864	82,814	48,532	30,454	15,801	13,288	1,365	29,051
\$100,000,000 or more.....	6	1,531,858	1,107,818	583,385	202,120	179,354	89,567	19,507	68,467	1,593	89,298
Africa, total.....	139	2,522,132	2,041,263	1,047,014	58,912	48,263	18,019	3,308	14,257	454	17,341
Under \$100,000.....	29	1,295	1,153	433	199	20	27	21	6	-	22
\$100,000 under \$1,000,000.....	35	15,414	14,537	6,984	1,726	189	374	315	52	7	367
\$1,000,000 under \$10,000,000.....	47	189,361	184,079	91,611	6,441	2,013	2,108	1,464	628	16	2,069
\$10,000,000 under \$100,000,000.....	24	975,277	914,652	461,617	48,949	44,459	14,536	1,338	12,968	230	14,250
\$100,000,000 or more.....	4	1,340,785	926,842	486,369	1,597	1,582	974	1,730	603	201	633
Asia, total.....	417	8,144,590	7,753,420	3,865,696	823,362	116,198	546,234	408,984	48,021	89,229	406,325
Under \$100,000.....	94	3,414	3,116	1,147	1,147	26	298	198	4	96	217
\$100,000 under \$1,000,000.....	111	43,564	42,578	20,673	11,602	1,349	3,910	3,399	374	137	3,448
\$1,000,000 under \$10,000,000.....	130	474,534	668,108	223,883	33,217	1,378	17,146	15,769	410	967	11,224
\$10,000,000 under \$100,000,000.....	72	2,650,666	2,532,337	1,272,271	93,592	67,129	51,986	18,690	29,074	4,222	40,408
\$100,000,000 or more.....	10	4,972,392	4,507,281	2,347,722	683,804	46,316	472,894	370,928	18,159	83,807	351,028
Oceania, total.....	223	1,695,544	1,631,753	826,865	22,143	13,136	9,879	4,985	4,563	331	9,269
Under \$100,000.....	22	629	623	237	313	193	180	64	80	36	121
\$100,000 under \$1,000,000.....	65	28,193	26,767	12,980	1,861	640	536	279	234	23	483
\$1,000,000 under \$10,000,000.....	99	357,211	341,526	170,659	8,186	1,051	3,101	2,701	392	8	3,085
\$10,000,000 under \$100,000,000.....	37	1,309,511	1,262,837	642,989	11,783	11,252	6,062	1,941	3,857	264	5,580
\$100,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	134	2,238,110	1,828,327	937,780	6,955	40	2,439	2,378	28	33	2,202
Under \$100,000.....	38	1,482	1,301	509	625	-	396	396	-	-	263
\$100,000 under \$1,000,000.....	37	15,168	13,025	5,739	1,767	1	407	390	-	17	400
\$1,000,000 under \$10,000,000.....	34	117,162	103,780	50,092	1,503	39	527	488	28	11	464
\$10,000,000 under \$100,000,000.....	20	500,268	466,440	232,700	1,971	-	703	703	-	-	670
\$100,000,000 or more.....	5	1,604,030	1,243,781	648,740	1,089	-	406	401	-	5	405
Country not stated and other income from outside the U. S., total.....	25	90,757	79,643	40,647	1,777	1,584	1,165	854	223	88	1,055
Under \$100,000.....	15	377	296	95	58	-	133	45	-	88	23
\$100,000 under \$1,000,000.....	5	2,489	1,890	853	1	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	1	3,964	3,069	1,561	3,153	1,056	809	809	-	-	809
\$10,000,000 under \$100,000,000.....	4	83,927	74,388	38,137	1,435	527	223	-	223	-	223
\$100,000,000 or more.....	-	-	-	-	-	-	-	-	-	-	-

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 10.--NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT, BY METHOD OF LIMITATION, BY GEOGRAPHIC AREA WHERE TAXES WERE PAID, AND BY SIZE OF NET INCOME--Continued

Geographic area and size of net income	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources		Foreign taxes				Foreign tax credit claimed (Thousand dollars)
					Total (Thousand dollars)	Dividends (Thousand dollars)	Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RETURNS USING THE OVERALL LIMITATION											
All geographic areas, total.....	e				1,382,824	756,823	528,910	184,079	344,400	431	508,007
Under \$100,000.....					1,566	562	871	452	332	87	505
\$100,000 under \$1,000,000.....					16,285	5,671	6,349	4,004	2,181	164	5,511
\$1,000,000 under \$10,000,000.....					152,247	61,112	50,046	27,237	22,629	180	45,951
\$10,000,000 under \$100,000,000.....					457,092	290,827	197,767	70,868	126,899	-	189,346
\$100,000,000 or more.....					755,634	398,651	273,877	81,518	192,359	-	266,694
Canada, total.....	309	8,848,642	8,400,307	4,257,726	372,891	177,832	126,721	35,611	91,110	-	-
Under \$100,000.....	40	992	697	241	183	9	34	33	1	-	-
\$100,000 under \$1,000,000.....	52	21,225	18,670	8,272	3,045	1,432	1,269	656	613	-	-
\$1,000,000 under \$10,000,000.....	117	496,941	464,997	231,614	28,366	15,977	12,060	5,270	6,790	-	-
\$10,000,000 under \$100,000,000.....	84	2,768,710	2,669,320	1,341,211	125,160	98,589	65,938	19,317	46,621	-	-
\$100,000,000 or more.....	16	5,560,774	5,246,628	2,676,388	216,137	61,825	47,420	10,335	37,085	-	-
Latin American Republics, total.....	219	8,167,780	7,766,745	3,934,946	170,417	65,038	78,294	56,449	21,845	-	-
Under \$100,000.....	19	535	499	187	384	61	90	78	12	-	-
\$100,000 under \$1,000,000.....	37	15,154	14,079	6,432	4,916	718	2,048	1,812	236	-	-
\$1,000,000 under \$10,000,000.....	82	353,875	344,591	171,176	13,656	2,278	4,411	3,628	783	-	-
\$10,000,000 under \$100,000,000.....	66	2,384,429	2,302,444	1,154,336	50,623	26,372	20,873	12,844	8,029	-	-
\$100,000,000 or more.....	15	5,413,787	5,105,132	2,602,815	100,838	35,609	50,872	38,087	12,785	-	-
Other Western Hemisphere, total.....	17	769,000	754,348	349,617	10,588	21	353	347	6	-	-
Under \$100,000.....	1	19	19	6	1	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	-	-	-	-	-	-	-	-	-	-	-
\$1,000,000 under \$10,000,000.....	7	31,033	30,304	13,253	526	5	175	175	-	-	-
\$10,000,000 under \$100,000,000.....	6	164,741	161,818	83,681	191	16	60	54	6	-	-
\$100,000,000 or more.....	3	573,207	562,207	252,677	9,870	-	118	118	-	-	-
Europe, total.....	245	8,390,116	7,979,860	4,044,980	493,088	383,871	216,412	40,910	175,502	-	-
Under \$100,000.....	14	733	597	237	234	180	125	36	89	-	-
\$100,000 under \$1,000,000.....	45	18,945	17,437	7,819	4,706	2,631	1,887	807	1,080	-	-
\$1,000,000 under \$10,000,000.....	99	389,599	369,256	180,124	48,500	30,819	18,086	6,311	11,775	-	-
\$10,000,000 under \$100,000,000.....	71	2,420,065	2,345,942	1,180,418	196,833	134,323	85,239	23,842	61,397	-	-
\$100,000,000 or more.....	16	5,560,774	5,246,628	2,676,382	242,815	215,918	111,075	9,914	101,161	-	-
Africa, total.....	75	5,449,370	5,241,097	2,661,902	31,510	24,490	8,945	1,388	7,557	-	-
Under \$100,000.....	2	36	36	11	7	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	14	4,452	3,781	1,626	356	39	107	95	12	-	-
\$1,000,000 under \$10,000,000.....	29	130,589	121,535	59,137	12,657	8,759	2,716	700	2,016	-	-
\$10,000,000 under \$100,000,000.....	20	714,226	704,701	355,868	4,007	2,387	1,171	426	745	-	-
\$100,000,000 or more.....	10	4,600,067	4,411,044	2,245,260	14,483	13,305	4,951	167	4,784	-	-
Asia, total.....	151	6,326,613	5,946,972	3,025,075	121,865	21,747	44,820	37,526	7,294	-	-
Under \$100,000.....	14	771	763	325	681	311	502	272	230	-	-
\$100,000 under \$1,000,000.....	21	8,658	9,213	4,215	550	161	105	66	39	-	-
\$1,000,000 under \$10,000,000.....	57	250,588	232,333	114,145	20,612	1,089	8,207	7,860	347	-	-
\$10,000,000 under \$100,000,000.....	46	1,513,851	1,460,225	747,084	37,242	9,673	10,635	7,058	3,577	-	-
\$100,000,000 or more.....	13	4,552,745	4,244,438	2,159,306	62,780	10,513	25,371	22,270	3,101	-	-
Oceania, total.....	110	4,677,960	4,331,983	2,228,562	80,659	70,346	41,347	4,216	37,131	-	-
Under \$100,000.....	6	372	367	132	53	-	27	27	-	-	-
\$100,000 under \$1,000,000.....	8	3,664	4,238	1,731	528	270	230	116	114	-	-
\$1,000,000 under \$10,000,000.....	46	194,412	180,989	89,482	3,998	1,869	1,697	855	842	-	-
\$10,000,000 under \$100,000,000.....	43	1,296,077	1,249,804	636,913	13,489	6,726	5,701	2,969	2,732	-	-
\$100,000,000 or more.....	7	3,183,435	2,896,585	1,500,304	62,591	61,481	33,692	249	33,443	-	-
Puerto Rico and U. S. Possessions, total.....	56	3,511,850	3,412,325	1,738,646	8,159	2,477	3,093	2,418	675	-	-
Under \$100,000.....	1	6	2	-	1	-	-	-	-	-	-
\$100,000 under \$1,000,000.....	5	1,592	1,461	730	367	-	93	93	-	-	-
\$1,000,000 under \$10,000,000.....	24	123,718	116,058	54,985	1,873	281	562	488	74	-	-
\$10,000,000 under \$100,000,000.....	20	719,888	679,386	337,242	4,563	2,196	2,060	1,459	601	-	-
\$100,000,000 or more.....	6	2,666,646	2,615,418	1,345,689	1,355	-	378	378	-	-	-
Country not stated and other income from outside the U. S., total.....	51	3,168,964	2,884,373	1,446,470	93,647	11,001	8,494	5,214	3,280	-	-
Under \$100,000.....	3	102	76	29	22	1	6	6	-	-	-
\$100,000 under \$1,000,000.....	12	5,689	4,055	1,788	1,817	420	446	359	87	-	-
\$1,000,000 under \$10,000,000.....	14	60,798	56,005	26,832	22,059	35	1,952	1,950	2	-	-
\$10,000,000 under \$100,000,000.....	15	523,830	503,645	258,088	24,984	10,545	6,090	2,899	3,191	-	-
\$100,000,000 or more.....	7	2,578,545	2,320,592	1,159,732	44,765	-	-	-	-	-	-

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

With the exception of "all geographic areas," data for tax carryover and the foreign tax credit are not available for returns using the overall limitation. Taxpayers using this limitation method are required to provide only summary totals, and not "country" data, for the two items. Consequently, the overall limitation data for Total foreign taxes, column (7), include carryover only for the "all geographic areas" summary totals.

Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 11.--NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, FOR SELECTED INDUSTRIAL DIVISIONS, BY COUNTRY WHERE TAX WAS PAID

Industrial division and country	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Total (Thousand dollars)	Dividends		Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)
							From related foreign corporations	Amount			
							Number of returns	(Thousand dollars)			
ALL INDUSTRIAL DIVISIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All areas, total.....	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	633	1,405,766	1,757,418	1,168,355	589,063
Canada.....	2,569	19,717,445	18,853,847	9,363,858	651,686	312,621	317	309,573	231,579	82,252	149,327
Latin American Republics, total.....	-	-	-	-	752,977	131,374	158	129,527	531,708	493,849	37,859
Mexico.....	461	11,495,618	10,592,807	5,387,550	83,339	35,563	84	35,430	32,847	18,516	14,331
Central America, total.....	-	-	-	-	41,368	24,006	-	23,985	5,615	3,001	2,614
Costa Rica.....	19	493,515	344,875	171,652	1,994	102	2	102	608	585	23
El Salvador.....	13	2,235,735	1,942,415	1,004,345	906	138	1	138	196	187	9
Guatemala.....	16	558,446	304,141	156,437	837	36	1	36	417	414	3
Honduras.....	10	349,846	209,124	109,036	1,361	1	-	-	467	467	-
Nicaragua.....	6	309,545	169,028	88,402	624	-	-	-	249	249	-
Panama.....	55	2,445,082	2,070,368	1,035,340	35,646	23,729	15	23,709	3,678	1,099	2,579
Caribbean Republics, total.....	-	-	-	-	11,787	264	-	198	6,281	6,215	66
Cuba.....	13	1,191,812	975,148	495,257	1,263	241	1	175	600	539	61
Dominican Republic.....	14	448,269	299,906	153,999	9,375	16	1	16	5,366	5,362	4
Haiti.....	11	330,331	186,202	96,827	1,149	7	1	7	315	314	1
South America, total.....	-	-	-	-	616,483	71,541	-	69,914	486,965	466,117	20,848
Argentina.....	247	7,120,888	6,701,180	3,434,591	40,226	15,869	28	15,798	15,924	10,023	5,901
Bolivia.....	10	155,331	146,074	74,019	318	-	-	-	110	110	-
Brazil.....	296	9,471,499	8,618,444	4,388,711	49,967	16,518	48	16,350	19,164	14,516	4,648
Chile.....	96	6,109,529	5,599,368	2,865,028	83,321	3,965	9	3,965	84,689	83,435	1,254
Colombia.....	151	4,647,425	4,485,471	2,172,340	29,066	3,761	22	2,520	18,520	17,499	1,021
Ecuador.....	22	1,228,843	2,030,061	1,049,550	1,909	288	3	288	725	662	63
Paraguay.....	7	2,583,129	2,323,312	1,202,493	691	177	1	177	232	196	36
Peru.....	86	5,409,966	4,821,015	2,471,250	18,613	3,482	14	3,467	8,474	7,198	1,276
Uruguay.....	59	4,494,433	4,220,515	2,177,124	3,772	2,040	10	2,040	937	441	496
Venezuela.....	130	7,211,293	6,743,283	3,312,756	388,600	25,441	29	25,309	338,190	332,037	6,153
Other Western Hemisphere, total.....	-	-	-	-	77,005	4,470	-	4,465	28,789	27,969	820
The Bahamas.....	7	1,042,864	830,742	424,862	4,596	4,180	2	4,180	765	-	765
Bermuda.....	3	418,378	409,093	182,804	8,980	-	-	-	-	-	-
Jamaica.....	17	912,913	737,956	347,835	39,473	285	3	285	8,006	7,951	55
Other British West Indies.....	15	471,238	307,769	151,596	13,511	5	-	-	14,575	14,575	-
Netherlands Antilles.....	4	67,388	67,236	34,771	219	-	-	-	85	85	-
Other Western Hemisphere.....	5	128,331	113,353	55,099	10,226	-	-	-	5,358	5,358	-
Europe, total.....	-	-	-	-	864,068	660,602	305	656,764	371,042	93,014	278,028
Common Market countries, total.....	-	-	-	-	377,367	274,149	-	272,329	161,426	39,382	122,044
Belgium.....	86	5,907,811	5,458,658	2,777,512	38,889	32,385	29	32,182	19,558	3,923	15,635
France.....	141	5,688,336	5,447,013	2,762,846	43,783	23,595	69	23,437	16,005	3,837	12,168
Italy.....	181	7,901,443	7,217,360	3,728,180	43,491	9,479	29	9,450	9,162	5,583	3,579
Luxembourg.....	3	162,167	161,079	83,366	244	-	-	-	11	11	-
Netherlands.....	82	5,542,422	4,972,121	2,567,106	57,073	53,171	42	51,984	23,689	625	23,064
West Germany.....	220	7,480,527	7,062,993	3,616,506	193,887	155,319	101	155,276	93,001	25,403	67,598
Other European countries, total.....	-	-	-	-	486,701	386,453	-	384,435	209,616	53,632	155,984
Denmark.....	32	3,468,579	3,401,441	1,755,165	8,125	6,869	15	6,869	2,928	104	2,824
Finland.....	20	3,841,911	3,533,554	1,829,763	1,470	505	7	505	317	29	288
Greece.....	13	370,697	303,318	155,583	450	-	-	-	123	123	-
Ireland.....	13	333,894	318,277	161,552	360	161	3	161	120	55	65
Liechtenstein.....	1	3,727	3,557	1,805	750	-	-	-	-	-	-
Norway.....	27	2,336,767	2,105,569	1,086,123	2,211	823	12	823	921	457	464
Portugal.....	17	3,484,184	3,176,974	1,649,943	4,125	3,758	6	3,725	1,665	916	749
Spain.....	87	4,638,663	4,496,409	2,311,856	7,177	2,092	14	2,080	1,651	1,104	547
Sweden.....	50	4,290,340	4,014,881	2,075,256	10,441	4,365	18	4,332	2,360	234	2,126
Switzerland.....	83	4,096,875	3,810,548	1,973,499	24,044	19,807	28	19,792	6,831	831	6,000
Turkey.....	22	1,043,854	1,030,686	527,589	1,965	141	2	141	614	568	46
United Kingdom.....	520	9,553,476	8,865,654	4,532,845	419,002	343,380	212	341,455	189,542	48,635	140,907
Other European countries.....	32	2,432,049	2,331,775	1,207,112	6,577	4,552	7	4,552	2,944	576	1,968
Africa, total.....	-	-	-	-	90,422	72,753	58	72,420	26,510	4,696	21,814
Algeria.....	5	756,782	532,709	277,313	837	1,127	3	1,127	562	203	359
Congo (formerly Belgium Congo).....	5	320,009	175,317	90,900	328	40	-	-	61	61	-
Egypt.....	16	2,711,193	2,667,134	1,367,667	3,124	169	-	-	423	423	-
Ghana.....	3	229,932	170,778	88,159	1,321	584	1	584	672	371	301
Liberia.....	8	352,747	351,135	175,504	31,365	30,983	4	30,983	8,422	-	8,422
Morocco.....	8	85,747	78,821	36,172	1,580	208	3	207	211	158	53
Nigeria.....	5	260,276	239,190	117,157	19	-	-	-	8	8	-
Rhodesia and Nyasaland.....	15	733,464	717,501	342,387	4,708	4,372	4	4,371	1,844	95	1,749
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	171	5,096,021	4,870,975	2,509,536	43,960	34,501	47	34,379	13,752	3,038	10,714
Other African countries.....	23	2,724,498	2,326,604	1,208,543	3,208	769	4	769	555	339	216
Asia, total.....	-	-	-	-	945,227	137,945	86	135,922	501,825	446,510	55,315
Burma.....	9	99,404	90,281	43,226	41	-	-	-	16	16	-
Formosa.....	9	135,621	134,328	68,958	117	-	-	-	27	27	-
Hong Kong.....	37	444,639	426,685	204,373	4,157	647	3	647	506	426	80
India.....	89	5,030,521	4,661,791	2,402,492	13,402	4,632	23	4,540	10,172	8,150	2,022
Indonesia.....	10	2,105,934	2,056,622	1,064,737	19,318	18,873	4	18,873	9,493	7	9,486
Iran.....	23	3,294,805	2,721,793	1,418,234	117,895	1,168	-	-	78,212	78,212	-
Iraq.....	6	946,623	661,124	356,669	45,609	45,440	2	45,440	18,242	158	18,084
Israel.....	94	395,813	378,289	185,432	2,774	828	5	827	1,077	817	260
Japan.....	314	11,909,661	11,070,301	5,658,855	95,823	7,466	27	7,106	18,278	15,370	2,908
Kuwait.....	6	262,967	233,753	123,432	132,573	10,720	2	10,720	75,719	70,457	5,262
Malaya.....	15	867,968	859,490	439,251	3,994	2,229	7	2,229	2,024	1,079	945
Pakistan.....	29	386,101	364,835	179,169	2,837	331	3	325	1,731	1,619	112
Philippine Republic.....	127	3,273,059	3,304,572	1,573,425	29,986	20,423	33	20,032	16,735	11,091	5,644
Saudi Arabia.....	9	871,113	806,843	412,788	438,328	-	-	-	251,522	251,522	-
South Korea.....	4	124,260	110,308	59,468	12	-	-	-	-	-	-
Thailand.....	19	576,254	570,076	291,384	2,720	555	1	550	1,073	935	138
Other Asian countries.....	42	3,698,830	3,376,318	1,741,224	35,641	24,633	7	24,633	16,998	6,624	10,374
Oceania, total.....	-	-	-	-	102,802	83,482	83	83,319	50,895	9,201	41,694
Australia.....	312	6,180,648	5,778,285	2,961,557	92,242	74,753	74	74,598	45,836	8,487	37,349
New Zealand.....	66	2,819,665	2,749,898	1,415,713	10,553	8,729	22	8,721	5,057	712	4,345
Other countries of Oceania.....	3	31,030	21,924	10,127	7	-	-	-	2	2	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	15,114	2,517	4	2,249	5,499	4,796	703
Canal Zone.....	1	111,722	110,067	52,305	138	-	-	-	-	-	-
Guam.....	11	588,725	574,700	292,862	1,231	-	-	-	577	577	-
Puerto Rico.....	182	5,595,589	5,091,034	2,599,790	13,762	2,517	4	2,249	4,874	4,171	703
Virgin Islands.....	5	63,213	52,174	19,484	159	-	-	-	48	48	-
Country not stated and other income from outside the United States.....	76	3,259,721	2,964,016	1,487,117	95,424	12,585	6	11,527	9,571	6,068	3,503

Footnotes at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 11.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, FOR SELECTED INDUSTRIAL DIVISIONS, BY COUNTRY WHERE TAX WAS PAID—Continued

Industrial division and country	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Dividends		Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	
						Total (Thousand dollars)	From related foreign corporations				
							Number of returns				Amount (Thousand dollars)
MINING	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
* All areas, total.....	-	-	-	-	600,343	9,360	12	8,971	377,386	374,667	2,719
Canada.....	39	182,683	135,266	67,898	11,936	2,353	6	2,345	7,028	6,161	867
Latin American Republics, total.....	-	-	-	-	107,171	5,486	5	5,485	95,418	93,980	1,438
Mexico.....	9	45,277	42,965	22,037	4,294	865	2	865	3,829	3,613	216
Central America, total.....	-	-	-	-	732	1	-	-	285	285	-
Costa Rica.....	-	-	-	-	-	-	-	-	-	-	-
El Salvador.....	-	-	-	-	-	-	-	-	-	-	-
Guatemala.....	-	-	-	-	-	-	-	-	-	-	-
Honduras.....	2	33,424	33,152	17,034	650	1	-	-	266	266	-
Nicaragua.....	1	116	85	38	79	-	-	-	18	18	-
Panama.....	1	32,559	32,559	16,808	3	-	-	-	1	1	-
Caribbean Republics, total.....	-	-	-	-	765	-	-	-	178	178	-
Cuba.....	-	-	-	-	-	-	-	-	-	-	-
Dominican Republic.....	1	32,559	32,559	16,808	8	-	-	-	3	3	-
Haiti.....	1	757	553	282	757	-	-	-	175	175	-
South America, total.....	-	-	-	-	101,380	4,620	-	4,620	91,126	89,904	1,222
Argentina.....	7	51,335	45,578	23,478	1,063	-	-	-	851	851	-
Bolivia.....	4	36,841	36,813	18,953	275	-	-	-	100	100	-
Brazil.....	1	481	357	172	175	-	-	-	1	1	-
Chile.....	3	74,060	62,888	32,567	29,951	-	-	-	40,805	40,805	-
Colombia.....	5	21,974	16,753	7,828	16,838	-	-	-	12,417	12,417	-
Ecuador.....	1	32,559	32,559	16,808	1	-	-	-	-	-	-
Paraguay.....	-	-	-	-	-	-	-	-	-	-	-
Peru.....	6	40,844	38,711	19,944	5,667	699	1	699	2,702	2,397	305
Uruguay.....	-	-	-	-	-	-	-	-	-	-	-
Venezuela.....	10	136,777	115,940	59,145	47,410	3,921	3	3,921	34,250	33,333	917
Other Western Hemisphere, total.....	-	-	-	-	10,509	-	-	-	2,981	2,981	-
The Bahamas.....	-	-	-	-	-	-	-	-	-	-	-
Bermuda.....	-	-	-	-	-	-	-	-	-	-	-
Jamaica.....	1	13,752	10,040	5,218	10,050	-	-	-	2,812	2,812	-
Other British West Indies.....	1	1,017	744	380	459	-	-	-	169	169	-
Netherlands Antilles.....	-	-	-	-	-	-	-	-	-	-	-
Other Western Hemisphere.....	-	-	-	-	-	-	-	-	-	-	-
Europe, total.....	-	-	-	-	1,005	-	3	503	396	223	173
Common Market countries, total.....	-	-	-	-	312	-	-	261	163	51	112
Belgium.....	2	3,056	2,997	1,429	7	7	-	-	2	2	-
France.....	1	481	357	172	(2)	-	-	-	-	-	-
Italy.....	-	-	-	-	-	-	-	-	-	-	-
Luxembourg.....	-	-	-	-	-	-	-	-	-	-	-
Netherlands.....	-	-	-	-	-	-	-	-	-	-	-
West Germany.....	3	38,010	37,016	18,971	305	261	2	261	161	49	112
Other European countries, total.....	-	-	-	-	693	-	-	242	233	172	61
Denmark.....	-	-	-	-	-	-	-	-	-	-	-
Finland.....	-	-	-	-	-	-	-	-	-	-	-
Greece.....	-	-	-	-	-	-	-	-	-	-	-
Ireland.....	-	-	-	-	-	-	-	-	-	-	-
Liechtenstein.....	-	-	-	-	-	-	-	-	-	-	-
Norway.....	-	-	-	-	-	-	-	-	-	-	-
Portugal.....	1	933	933	480	33	33	-	-	12	12	-
Spain.....	1	481	357	172	41	-	-	-	14	14	-
Sweden.....	-	-	-	-	-	-	-	-	-	-	-
Switzerland.....	-	-	-	-	-	-	-	-	-	-	-
Turkey.....	1	32,559	32,559	16,808	7	-	-	-	2	2	-
United Kingdom.....	6	22,648	17,270	8,936	612	541	1	242	205	144	61
Other European countries.....	-	-	-	-	-	-	-	-	-	-	-
Africa, total.....	-	-	-	-	1,825	-	1	50	149	144	5
Algeria.....	-	-	-	-	-	-	-	-	-	-	-
Congo (formerly Belgium Congo).....	-	-	-	-	-	-	-	-	-	-	-
Egypt.....	-	-	-	-	-	-	-	-	-	-	-
Ghana.....	-	-	-	-	-	-	-	-	-	-	-
Liberia.....	-	-	-	-	-	-	-	-	-	-	-
Morocco.....	-	-	-	-	-	-	-	-	-	-	-
Nigeria.....	1	79,382	58,358	30,341	21	-	-	-	8	8	-
Rhodesia and Nyasaland.....	-	-	-	-	-	-	-	-	-	-	-
Tangier.....	1	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	1	1,074	1,074	553	(2)	-	-	-	-	-	-
Other African countries.....	5	37,560	37,436	19,262	1,804	50	1	50	141	136	5
Asia, total.....	-	-	-	-	467,393	132	1	91	271,202	271,175	27
Burma.....	-	-	-	-	-	-	-	-	-	-	-
Formosa.....	-	-	-	-	-	-	-	-	-	-	-
Hong Kong.....	-	-	-	-	-	-	-	-	-	-	-
India.....	-	-	-	-	-	-	-	-	-	-	-
Indonesia.....	-	-	-	-	-	-	-	-	-	-	-
Iran.....	8	59,423	53,893	27,839	14,697	41	-	-	8,186	8,186	-
Iraq.....	-	-	-	-	-	-	-	-	-	-	-
Israel.....	1	587	587	268	28	-	-	-	-	-	-
Japan.....	2	6,545	6,543	3,300	326	-	-	-	34	34	-
Kuwait.....	2	7,424	6,289	3,257	6,458	-	-	-	6,893	6,893	-
Malaya.....	1	933	933	480	860	-	-	-	442	442	-
Pakistan.....	-	-	-	-	-	-	-	-	-	-	-
Philippine Republic.....	2	38,242	36,497	18,936	144	91	1	91	67	40	27
Saudia Arabia.....	3	475,186	471,606	244,790	437,189	-	-	-	251,404	251,404	-
South Korea.....	-	-	-	-	-	-	-	-	-	-	-
Thailand.....	-	-	-	-	-	-	-	-	-	-	-
Other Asian countries.....	2	14,818	11,186	5,787	7,691	-	-	-	4,176	4,176	-
Oceania, total.....	-	-	-	-	7	-	-	-	3	3	-
Australia.....	1	32,559	32,559	16,808	7	-	-	-	3	3	-
New Zealand.....	-	-	-	-	-	-	-	-	-	-	-
Other countries of Oceania.....	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	-	-	-	-	-	-	-
Canal Zone.....	-	-	-	-	-	-	-	-	-	-	-
Guam.....	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico.....	-	-	-	-	-	-	-	-	-	-	-
Virgin Islands.....	-	-	-	-	-	-	-	-	-	-	-
Country not stated and other income from outside the United States.....	1	12,597	7,352	3,814	497	497	1	497	209	-	209

Footnotes at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 11.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, FOR SELECTED INDUSTRIAL DIVISIONS, BY COUNTRY WHERE TAX WAS PAID—Continued

Industrial division and country	Number of returns	Net income (Thousands of dollars)	Income subject to U. S. tax (Thousands of dollars)	U. S. income tax before foreign tax credit (Thousands of dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousands of dollars)	Dividends		Total, excluding carryover (Thousands of dollars)	Paid or accrued (Thousands of dollars)	Deemed paid (Thousands of dollars)	
						Total (Thousands of dollars)	From related foreign corporations				
											Number of returns
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
MANUFACTURING											
All areas, total.....	-	-	-	-	2,367,934	1,167,910	459	1,158,894	1,169,864	681,303	488,561
Canada.....	1,182	13,271,134	12,380,791	6,313,183	451,823	263,002	241	262,171	173,000	46,521	126,475
Latin American Republics, total.....	-	-	-	-	541,880	101,594	116	99,916	404,704	375,827	28,877
Mexico.....	287	9,500,613	8,675,494	4,447,258	48,950	24,137	63	24,007	19,167	9,086	10,081
Central America, total.....	-	-	-	-	30,650	22,568	-	22,568	3,089	864	2,225
Costa Rica.....	11	426,435	278,101	139,229	467	2	1	2	165	165	-
El Salvador.....	8	2,161,298	1,868,293	968,238	644	138	1	138	168	159	9
Guatemala.....	8	489,566	236,467	121,747	269	36	1	36	179	176	-
Honduras.....	4	259,036	118,634	62,372	491	-	-	-	156	156	-
Nicaragua.....	3	252,688	112,277	59,072	476	-	-	-	191	191	-
Panama.....	22	1,995,944	1,631,479	820,116	28,303	22,392	10	22,392	2,230	17	2,213
Caribbean Republics, total.....	-	-	-	-	9,075	248	-	182	5,486	5,424	62
Cuba.....	4	896,116	681,194	356,161	245	241	1	175	61	-	61
Dominican Republic.....	7	343,731	195,846	102,423	8,522	-	-	-	5,311	5,311	-
Haiti.....	3	249,091	108,477	57,532	308	7	1	7	114	113	1
South America, total.....	-	-	-	-	453,205	54,641	-	53,159	376,962	360,453	16,509
Argentina.....	179	6,289,838	5,905,818	3,043,464	25,929	15,310	21	15,241	10,372	4,687	5,685
Bolivia.....	1	29,471	29,305	15,214	22	-	-	-	5	5	-
Brazil.....	212	8,579,687	7,771,322	3,978,791	33,569	14,475	39	14,318	13,273	9,237	4,036
Chile.....	68	5,652,856	5,169,594	2,649,531	50,298	3,888	8	3,888	42,884	41,647	1,237
Colombia.....	90	4,117,915	3,761,232	1,937,868	9,014	3,425	16	2,184	4,708	3,841	867
Ecuador.....	6	1,914,254	1,817,728	944,481	86	16	1	16	21	17	4
Paraguay.....	2	2,399,009	2,150,004	1,119,025	173	177	1	177	36	-	36
Peru.....	53	4,753,885	4,189,994	2,170,137	9,640	2,035	9	2,020	4,359	3,607	752
Uruguay.....	38	4,139,119	3,868,781	2,003,506	2,377	2,015	9	2,015	567	81	486
Venezuela.....	70	6,572,844	5,940,373	3,028,013	322,097	13,300	19	13,300	300,737	297,331	3,406
Other Western Hemisphere, total.....	-	-	-	-	62,878	1,901	2	1,901	25,431	24,679	752
The Bahamas.....	3	743,765	533,490	280,388	1,908	1,885	1	1,885	746	-	746
Bermuda.....	1	352,780	343,495	148,870	8,972	-	-	-	-	-	-
Jamaica.....	6	667,929	512,339	237,277	29,247	16	1	16	5,128	5,122	6
Other British West Indies.....	2	238,120	97,721	51,606	12,559	-	-	-	14,200	14,200	-
Netherlands Antilles.....	-	-	-	-	-	-	-	-	-	-	-
Other Western Hemisphere.....	2	50,796	44,877	23,244	10,192	-	-	-	5,357	5,357	-
Europe, total.....	-	-	-	-	705,366	564,797	242	561,952	304,014	66,098	237,916
Common Market countries, total.....	-	-	-	-	294,401	223,863	-	222,195	124,083	24,811	99,272
Belgium.....	54	5,646,049	5,213,857	2,659,966	32,216	29,487	22	29,342	16,731	2,256	14,475
France.....	95	5,019,358	4,773,004	2,456,266	26,996	14,997	55	14,846	9,556	2,046	7,510
Italy.....	152	7,528,070	6,857,553	3,547,095	34,002	7,313	20	7,286	6,996	4,272	2,724
Luxembourg.....	1	103,821	102,733	53,379	160	-	-	-	-	-	-
Netherlands.....	56	5,077,563	4,535,731	2,346,144	53,410	51,874	33	50,702	22,504	5	22,499
West Germany.....	139	6,671,706	6,280,910	3,229,295	147,617	120,192	76	120,019	68,296	16,232	52,064
Other European countries, total.....	-	-	-	-	410,965	340,934	-	339,757	179,931	41,287	138,644
Denmark.....	22	3,309,882	3,253,852	1,681,731	7,280	6,709	12	6,709	2,766	-	2,766
Finland.....	12	3,746,038	3,438,282	1,782,802	729	409	5	409	248	18	230
Greece.....	4	193,674	138,155	73,292	88	-	-	-	15	15	-
Ireland.....	7	252,329	247,443	127,428	311	161	3	161	99	34	65
Liechtenstein.....	1	3,727	3,557	1,805	750	-	-	-	-	-	-
Norway.....	19	2,216,794	1,996,043	1,031,637	1,495	734	9	734	668	251	417
Portugal.....	9	3,393,137	3,087,354	1,604,271	3,142	2,854	4	2,854	1,577	902	675
Spain.....	67	4,369,766	4,239,733	2,185,001	4,755	1,254	11	1,247	1,145	750	395
Sweden.....	31	4,028,008	3,765,743	1,948,585	6,254	4,177	13	4,152	2,125	96	2,029
Switzerland.....	48	3,936,257	3,657,079	1,896,859	21,691	19,044	22	19,044	6,423	636	5,787
Turkey.....	12	844,679	834,306	429,854	824	141	2	141	275	229	46
United Kingdom.....	323	8,227,393	7,566,491	3,904,501	358,983	300,901	174	299,758	162,335	38,068	124,267
Other European countries.....	22	2,351,827	2,253,236	1,167,774	4,663	4,550	6	4,550	2,255	288	1,967
Africa, total.....	-	-	-	-	61,095	56,169	41	55,858	18,720	1,527	17,193
Algeria.....	2	721,554	511,303	268,476	426	717	2	717	349	129	220
Congo (formerly Belgium Congo).....	3	264,621	119,964	62,348	75	38	-	-	11	-	-
Egypt.....	4	2,470,675	2,430,924	1,257,899	556	169	-	-	17	17	-
Ghana.....	2	174,817	115,663	59,668	1,286	584	1	584	652	351	301
Liberia.....	3	181,650	180,161	92,756	28,854	28,848	2	28,848	8,152	-	8,152
Morocco.....	2	33,481	33,029	14,295	69	66	1	66	15	-	15
Nigeria.....	1	9,403	9,401	4,882	1	-	-	-	-	-	-
Rhodesia and Nyasaland.....	4	617,725	606,480	285,153	202	143	2	143	62	1	61
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	117	4,768,545	4,558,665	2,351,313	28,628	24,885	34	24,781	9,179	946	8,233
Other African countries.....	9	2,583,864	2,195,153	1,142,264	998	719	3	719	283	72	211
Asia, total.....	-	-	-	-	382,785	85,414	58	83,507	186,322	153,411	32,911
Burma.....	-	-	-	-	-	-	-	-	-	-	-
Formosa.....	1	25,866	24,710	12,842	-	-	-	-	-	-	-
Hong Kong.....	5	131,274	130,428	67,736	690	560	2	560	83	14	69
India.....	58	4,510,610	4,158,916	2,155,385	11,846	3,677	11	3,599	6,898	5,389	1,509
Indonesia.....	3	2,009,130	1,968,932	1,020,715	1,196	1,537	2	1,537	817	2	815
Iran.....	9	3,166,412	2,598,995	1,355,570	103,199	1,123	-	-	70,023	70,023	-
Iraq.....	2	880,411	614,917	324,454	45,125	45,440	2	45,440	18,084	-	18,084
Israel.....	34	306,671	299,602	147,471	392	16	1	16	158	151	7
Japan.....	235	8,212,291	7,456,790	3,819,889	68,651	5,736	24	5,384	9,582	7,491	2,091
Kuwait.....	3	200,428	172,349	91,664	126,115	10,720	2	10,720	68,826	63,564	5,262
Malaya.....	8	662,333	657,229	339,909	2,238	2,229	7	2,229	948	3	945
Pakistan.....	7	167,471	159,326	79,916	388	325	3	325	199	87	112
Philippine Republic.....	75	2,352,092	2,204,418	1,136,256	17,777	13,017	25	12,668	9,102	5,403	3,699
Saudi Arabia.....	2	210,936	151,901	79,818	29	-	-	-	12	12	-
South Korea.....	1	43,350	43,350	22,477	12	-	-	-	-	-	-
Thailand.....	9	356,369	352,192	181,168	746	555	1	550	300	162	138
Other Asian countries.....	13	3,270,729	2,965,160	1,542,754	4,395	479	4	479	1,290	1,110	180
Oceania, total.....	-	-	-	-	95,144	81,106	67	80,982	46,880	6,274	40,606
Australia.....	255	5,777,917	5,406,255	2,780,002	86,737	73,403	61	73,287	42,892	6,081	36,811
New Zealand.....	47	2,525,111	2,466,667	1,270,737	8,407	7,703	16	7,695	3,988	193	3,795
Other countries of Oceania.....	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	6,292	2,333	3	2,069	2,713	2,081	632
Canal Zone.....	-	-	-	-	-	-	-	-	-	-	-
Guam.....	3	414,163	413,950	214,150	288	-	-	-	136	136	-
Puerto Rico.....	61	4,357,636	3,917,644	2,025,767	5,920	2,333	3	2,069	2,539	1,907	632
Virgin Islands.....	1	3,018	3,018	1,562	84	-	-	-	38	38	-
Country not stated and other income from outside the United States.....	29	2,838,174	2,562,961	1,293,909	60,671	11,594	2	10,538	8,080	4,885	3,195

Footnotes at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 11.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, FOR SELECTED INDUSTRIAL DIVISIONS, BY COUNTRY WHERE TAX WAS PAID—Continued

Industrial division and country	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Dividends		From related foreign corporations Number of returns	Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)
						Total (Thousand dollars)	Amount (Thousand dollars)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE											
All areas, total.....	-	-	-	-	270,355	54,950	51	52,520	72,035	50,253	21,782
Canada.....	846	2,599,905	2,729,521	1,130,512	137,560	21,792	25	20,149	29,200	19,440	9,760
Latin American Republics, total.....	-	-	-	-	35,633	3,613	10	3,461	7,917	7,185	732
Mexico.....	38	885,055	862,424	418,245	5,915	275	4	275	789	664	125
Central America, total.....	-	-	-	-	3,981	758	1	738	899	674	225
Costa Rica.....	1	2,045	2,045	1,058	-	-	-	-	-	-	-
El Salvador.....	-	-	-	-	-	-	-	-	-	-	-
Guatemala.....	3	9,372	9,348	4,571	234	-	-	-	122	122	-
Honduras.....	1	2,045	2,045	1,058	5	-	-	-	-	-	-
Nicaragua.....	1	1,626	1,551	801	50	-	-	-	39	39	-
Panama.....	7	293,580	287,404	139,367	3,692	758	1	738	738	513	225
Caribbean Republics, total.....	-	-	-	-	2,841	-	-	-	468	468	-
Cuba.....	2	220,427	218,712	103,807	2,837	-	-	-	468	468	-
Dominican Republic.....	-	-	-	-	-	-	-	-	-	-	-
Haiti.....	3	6,073	5,280	2,036	4	-	-	-	-	-	-
South America, total.....	-	-	-	-	22,896	2,580	-	2,448	5,761	5,379	382
Argentina.....	22	332,561	314,792	153,803	5,907	62	1	62	1,838	1,818	20
Bolivia.....	1	14,749	5,690	1,423	4	-	-	-	-	-	-
Brazil.....	18	451,077	429,928	208,853	5,544	-	-	-	1,997	1,997	-
Chile.....	5	130,051	119,248	55,527	2,098	-	-	-	444	444	-
Colombia.....	16	188,060	402,249	85,129	1,062	2	1	2	418	417	1
Ecuador.....	2	112,143	110,457	52,453	248	237	1	237	61	16	45
Paraguay.....	2	126,471	115,757	53,728	261	-	-	-	54	54	-
Peru.....	6	282,001	280,066	133,941	593	-	-	-	152	152	-
Uruguay.....	4	115,152	113,478	53,782	444	-	-	-	63	63	-
Venezuela.....	11	151,536	356,315	63,727	6,735	2,279	2	2,147	734	418	316
Other Western Hemisphere, total.....	-	-	-	-	953	5	-	-	144	144	-
The Bahamas.....	2	220,427	218,712	103,807	754	-	-	-	-	-	-
Bermuda.....	4	151,279	137,989	65,245	1,121	-	-	-	7	7	-
Jamaica.....	7	163,291	140,627	64,214	304	5	-	-	136	136	-
Other British West Indies.....	1	1,315	1,291	666	15	-	-	-	1	1	-
Netherlands Antilles.....	1	14,749	5,690	1,423	11	-	-	-	-	-	-
Other Western Hemisphere.....	-	-	-	-	-	-	-	-	-	-	-
Europe, total.....	-	-	-	-	42,046	20,626	16	20,096	19,731	10,669	9,062
Common Market countries, total.....	-	-	-	-	21,379	10,376	-	10,275	9,998	4,955	5,043
Belgium.....	18	112,758	96,458	42,617	1,779	1,001	2	990	640	402	238
France.....	28	416,575	424,219	187,205	8,894	6,880	6	6,875	4,811	957	3,854
Italy.....	8	23,547	21,043	9,222	982	917	3	915	325	-	325
Luxembourg.....	-	-	-	-	-	-	-	-	-	-	-
Netherlands.....	15	228,758	202,300	100,111	714	495	3	480	263	40	223
West Germany.....	48	423,243	405,440	194,618	9,010	1,083	3	1,015	3,959	3,556	403
Other European countries, total.....	-	-	-	-	20,667	10,250	-	9,821	9,733	5,714	4,019
Denmark.....	4	22,606	11,875	3,643	409	3	1	3	104	103	1
Finland.....	-	-	-	-	-	-	-	-	-	-	-
Greece.....	3	23,728	12,997	4,233	125	-	-	-	10	10	-
Ireland.....	2	21,683	10,952	3,175	5	-	-	-	4	4	-
Liechtenstein.....	-	-	-	-	-	-	-	-	-	-	-
Norway.....	3	18,846	8,994	2,431	2	2	1	2	-	-	1
Portugal.....	2	6,945	6,113	2,469	847	868	1	868	72	-	72
Spain.....	5	25,347	14,520	4,981	31	-	-	-	4	4	-
Sweden.....	10	20,001	15,791	6,055	258	8	-	-	112	112	-
Switzerland.....	7	47,040	44,401	20,519	621	393	1	380	205	106	99
Turkey.....	2	8,250	6,578	2,157	11	-	-	-	-	-	-
United Kingdom.....	115	737,891	735,378	342,815	18,324	8,974	8	8,566	9,189	5,344	3,845
Other European countries.....	2	7,003	5,331	1,782	46	2	1	32	1	1	-
Africa, total.....	-	-	-	-	9,002	7,257	4	7,246	2,429	640	1,789
Algeria.....	2	24,745	10,923	3,394	410	410	1	410	213	74	139
Congo (formerly Belgium Congo).....	1	273	238	61	2	-	-	-	-	-	-
Egypt.....	2	118,656	115,329	54,057	392	-	-	-	76	76	-
Ghana.....	3	113,423	113,329	53,564	1,376	1,000	1	1,000	148	-	148
Liberia.....	4	26,588	20,114	8,714	206	142	2	141	38	-	38
Morocco.....	1	108,705	108,645	51,502	1,132	-	-	-	-	-	-
Nigeria.....	2	3,513	3,474	1,795	3	-	-	-	1	1	-
Rhodesia and Nyasaland.....	-	-	-	-	-	-	-	-	-	-	-
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	26	35,737	26,335	10,839	6,735	5,703	3	5,695	1,950	486	1,464
Other African countries.....	2	14,790	5,731	1,439	10	-	-	-	3	3	-
Asia, total.....	-	-	-	-	23,651	673	4	625	9,818	9,639	179
Burma.....	1	14,749	5,690	1,423	1	-	-	-	-	-	-
Formosa.....	1	39,395	39,264	20,287	3	-	-	-	-	-	-
Hong Kong.....	7	166,777	151,286	70,684	898	-	-	-	117	117	-
India.....	6	322,590	307,418	148,353	1,923	14	-	-	1,207	1,207	-
Indonesia.....	2	14,762	5,700	1,426	8	10	1	10	8	4	4
Iran.....	3	11,648	11,589	5,180	31	4	-	-	1	1	-
Iraq.....	-	-	-	-	-	-	-	-	-	-	-
Israel.....	24	22,566	12,490	4,158	1,466	463	2	463	497	385	112
Japan.....	20	843,450	808,512	394,825	11,704	7	-	-	5,673	5,673	-
Kuwait.....	-	-	-	-	-	-	-	-	-	-	-
Malaya.....	3	125,397	122,070	57,557	66	-	-	-	10	10	-
Pakistan.....	4	140,146	127,760	58,980	478	6	-	-	288	288	-
Philippine Republic.....	15	347,595	542,017	156,822	4,171	17	-	-	1,212	1,212	-
Saudia Arabia.....	1	111,722	110,067	52,305	807	-	-	-	25	25	-
South Korea.....	-	-	-	-	-	-	-	-	-	-	-
Thailand.....	1	125,685	124,405	63,704	538	-	-	-	162	162	-
Other Asian countries.....	7	258,553	246,107	115,512	1,557	152	1	152	618	555	63
Oceania, total.....	-	-	-	-	2,908	381	3	343	1,256	1,126	130
Australia.....	25	72,474	43,626	14,553	2,675	292	2	254	1,139	1,053	86
New Zealand.....	4	15,206	6,147	1,649	232	89	1	89	117	73	44
Other countries of Oceania.....	1	14,749	5,690	1,423	1	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	4,121	181	1	180	1,299	1,256	43
Canal Zone.....	1	111,722	110,067	52,305	138	-	-	-	-	-	-
Guam.....	2	140,434	130,095	65,127	348	-	-	-	175	175	-
Puerto Rico.....	53	888,199	849,962	417,104	3,811	181	1	180	1,124	1,081	43
Virgin Islands.....	-	-	-	-	-	-	-	-	-	-	-
Country not stated and other income from outside the United States.....	28	312,665	302,377	143,938	14,481	422	1	420	241	154	87

Footnote at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 11.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, FOR SELECTED INDUSTRIAL DIVISIONS, BY COUNTRY WHERE TAX WAS PAID—Continued

Industrial division and country	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Dividends		Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	
						Total (Thousand dollars)	From related foreign corporations				
								Number of returns			Amount (Thousand dollars)
ALL OTHER INDUSTRIAL DIVISIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All areas, total.....	-	-	-	-	356,093	186,129	111	185,381	138,133	62,132	76,001
Canada.....	502	3,703,723	3,608,269	1,852,265	50,367	25,474	45	24,908	22,351	10,130	12,221
Latin American Republics, total.....	-	-	-	-	68,293	20,681	27	20,665	23,669	16,857	6,811
Mexico.....	127	1,064,673	1,011,924	500,010	24,180	10,286	15	10,283	9,062	5,153	3,909
Central America, total.....	-	-	-	-	6,005	679	-	679	1,342	1,178	164
Costa Rica.....	7	65,035	64,729	31,365	1,527	100	1	100	443	420	23
El Salvador.....	5	74,437	74,122	36,307	262	-	-	-	28	28	-
Guatemala.....	5	59,508	58,326	30,139	334	-	-	-	116	116	-
Honduras.....	3	55,341	55,293	28,572	215	-	-	-	45	45	-
Nicaragua.....	1	55,115	55,115	28,491	19	-	-	-	1	1	-
Panama.....	25	122,999	118,926	59,049	3,648	579	4	579	709	568	141
Caribbean countries, total.....	-	-	-	-	1,894	16	1	16	149	145	4
Cuba.....	7	75,269	75,242	35,289	11,819	-	-	-	71	71	-
Dominican Republic.....	6	71,979	71,501	34,768	845	16	1	16	52	48	-
Haiti.....	4	74,410	71,892	36,977	80	-	-	-	26	26	-
South America, total.....	-	-	-	-	39,002	9,700	-	9,687	13,116	10,381	2,735
Argentina.....	39	447,154	434,992	213,846	7,327	497	6	495	2,863	2,667	196
Bolivia.....	4	74,270	74,266	38,429	17	-	-	-	5	5	-
Brazil.....	65	440,254	416,837	200,895	10,679	2,043	9	2,032	3,893	3,281	612
Chile.....	20	252,562	247,638	127,403	974	77	1	77	556	539	17
Colombia.....	40	319,476	305,237	141,515	2,152	334	5	334	977	824	153
Ecuador.....	13	69,887	69,317	35,808	1,574	35	1	35	643	629	14
Paraguay.....	3	57,649	57,551	29,740	257	-	-	-	142	142	-
Peru.....	21	333,236	312,244	147,228	2,713	748	4	748	1,261	1,042	219
Uruguay.....	17	240,162	238,256	119,836	951	25	1	25	307	297	10
Venezuela.....	39	350,136	330,655	161,871	12,358	5,941	5	5,941	2,469	955	1,514
Other Western Hemisphere, total.....	-	-	-	-	2,665	2,564	3	2,564	233	165	68
The Bahamas.....	2	78,672	78,540	40,667	1,934	2,295	1	2,295	19	-	19
Bermuda.....	2	65,598	65,598	33,934	8	-	-	-	-	-	-
Jamaica.....	6	79,953	77,588	40,095	297	269	2	269	59	10	49
Other British West Indies.....	5	68,810	68,677	35,396	189	-	-	-	70	70	-
Netherlands Antilles.....	3	66,073	65,945	34,105	204	-	-	-	84	84	-
Other Western Hemisphere.....	2	62,786	62,786	30,432	33	-	-	-	1	1	-
Europe, total.....	-	-	-	-	115,651	74,337	44	74,213	46,901	16,024	30,877
Common Market countries, total.....	-	-	-	-	61,275	39,642	-	39,598	27,182	9,565	17,617
Belgium.....	12	145,948	145,346	73,500	4,887	1,890	5	1,850	2,185	1,263	922
France.....	17	251,922	249,433	119,203	7,893	1,718	8	1,716	1,638	804	804
Italy.....	21	349,826	338,764	171,863	8,507	1,249	6	1,249	1,841	1,311	530
Luxembourg.....	2	58,346	58,346	29,987	84	-	-	-	11	11	-
Netherlands.....	11	236,101	234,090	120,851	2,949	802	6	802	922	580	342
West Germany.....	30	347,568	339,627	173,622	36,955	33,983	20	33,981	20,585	5,566	15,019
Other European countries, total.....	-	-	-	-	54,376	34,695	-	34,615	19,719	6,459	13,260
Denmark.....	6	136,091	135,714	69,791	440	157	2	157	58	1	57
Finland.....	8	95,873	95,272	46,961	741	96	2	96	69	11	58
Greece.....	6	153,295	152,166	78,058	237	-	-	-	98	98	-
Ireland.....	4	59,882	59,882	30,949	44	-	-	-	17	17	-
Liechtenstein.....	-	-	-	-	-	-	-	-	-	-	-
Norway.....	5	101,127	100,532	52,055	714	87	2	87	252	206	46
Portugal.....	5	83,169	82,574	42,723	103	3	1	3	4	2	2
Spain.....	14	243,069	241,799	121,702	2,350	838	3	833	488	336	152
Sweden.....	9	242,331	233,347	120,616	3,929	180	5	180	123	26	97
Switzerland.....	28	113,578	109,068	56,121	1,732	370	5	370	203	89	114
Turkey.....	7	158,366	157,243	78,770	1,135	-	-	-	337	337	-
United Kingdom.....	76	565,544	546,515	276,593	41,083	32,964	29	32,889	17,813	5,079	12,734
Other European countries.....	8	73,219	73,208	37,556	1,868	-	-	-	257	257	-
Africa, total.....	-	-	-	-	18,500	9,277	12	9,266	5,212	2,385	2,827
Algeria.....	1	10,483	10,483	5,443	1	-	-	-	-	-	-
Congo (formerly Belgium Congo).....	1	55,115	55,115	28,491	251	-	-	-	50	50	-
Egypt.....	10	121,862	120,881	55,711	2,176	-	-	-	330	330	-
Ghana.....	1	55,115	55,115	28,491	35	-	-	-	20	20	-
Liberia.....	2	57,674	57,645	29,184	1,135	1,135	1	1,135	122	-	122
Morocco.....	2	25,678	25,678	13,163	1,305	-	-	-	158	158	-
Nigeria.....	2	62,786	62,786	30,432	101	-	-	-	-	-	-
Rhodesia and Nyasaland.....	9	112,226	107,547	55,439	4,503	4,229	2	4,228	1,781	93	1,688
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	27	290,665	284,901	146,831	8,597	3,913	10	3,903	2,623	1,606	1,017
Other African countries.....	7	88,284	88,284	45,578	396	-	-	-	128	128	-
Asia, total.....	-	-	-	-	71,398	51,726	23	51,699	34,483	12,285	22,198
Burma.....	8	84,655	84,591	41,803	40	-	-	-	16	16	-
Formosa.....	7	70,360	70,355	35,829	114	-	-	-	27	27	-
Hong Kong.....	25	146,588	144,971	65,953	2,569	87	1	87	306	295	11
India.....	25	197,321	195,457	98,754	1,367	941	12	941	2,067	1,554	513
Indonesia.....	5	82,402	81,990	42,596	18,114	17,326	1	17,326	8,668	1	8,667
Iran.....	3	57,322	57,316	29,625	132	-	-	-	2	2	-
Iraq.....	4	66,212	66,207	32,215	484	-	-	-	158	158	-
Israel.....	35	65,689	65,610	33,535	888	349	2	348	422	281	141
Japan.....	57	2,847,375	2,798,456	1,440,851	15,142	1,723	3	1,722	2,989	2,172	817
Kuwait.....	1	55,115	55,115	28,491	-	-	-	-	-	-	-
Malaya.....	3	79,305	79,258	41,305	830	-	-	-	624	624	-
Pakistan.....	18	78,484	77,749	40,273	1,971	-	-	-	1,244	1,244	-
Philippine Republic.....	35	535,130	521,640	261,411	7,894	7,298	7	7,273	6,354	4,436	1,918
Saudi Arabia.....	3	73,269	73,269	35,875	303	-	-	-	81	81	-
South Korea.....	3	71,010	70,958	36,991	14	-	-	-	-	-	-
Thailand.....	9	94,200	93,479	46,512	1,436	-	-	-	611	611	-
Other Asian countries.....	20	154,730	153,865	77,171	21,998	24,002	2	24,002	10,914	783	10,131
Oceania, total.....	-	-	-	-	4,743	1,995	13	1,994	2,756	1,798	958
Australia.....	31	297,698	295,845	150,194	2,823	1,058	11	1,057	1,802	1,350	452
New Zealand.....	15	279,348	277,084	143,327	1,914	937	5	937	952	446	506
Other countries of Oceania.....	2	16,281	16,234	8,704	6	-	-	-	2	2	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	4,701	3	-	-	1,487	1,459	28
Canal Zone.....	-	-	-	-	-	-	-	-	-	-	-
Guam.....	6	34,128	30,655	13,585	595	-	-	-	266	266	-
Puerto Rico.....	68	349,754	323,428	156,919	4,031	3	-	-	1,211	1,183	28
Virgin Islands.....	4	60,195	49,156	17,922	75	-	-	-	10	10	-
Country not stated and other income from outside the United States.....	18	96,285	91,326	45,456	19,775	72	2	72	1,041	1,029	12

¹Loss. ²Less than \$500. NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample." See text for discussion regarding noncumulative area totals for columns (1) through (4). Since a corporation may claim credit for taxes paid in each country from which income is remitted, data in the first four columns—obtained from the domestic corporation's income statement—may be repeated for several countries. Consequently, these data are noncumulative and do not add to area totals. Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 12.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY SIZE OF TOTAL ASSETS AND BY COUNTRY WHERE FOREIGN TAX WAS PAID

Size of total assets and country	Number of returns	Net income (Thousand dollars)	Income subject to U. S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Total (Thousand dollars)	Dividends		Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)
							From related foreign corporations				
							Number of returns	Amount (Thousand dollars)			
ALL RETURNS, TOTAL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All areas, total.....	3,821	23,962,860	22,891,464	11,371,203	3,594,725	1,418,349	333	1,405,766	1,757,418	1,168,355	589,063
Canada.....	2,569	19,717,445	18,853,847	9,363,858	651,686	312,621	317	309,573	231,579	82,252	149,327
Latin American Republics, total.....	-	-	-	-	752,977	131,374	158	129,527	531,708	493,849	37,859
Mexico.....	461	11,495,618	10,592,807	5,387,550	83,339	35,563	84	35,430	32,847	18,516	14,331
Central America, total.....	-	-	-	-	41,368	24,006	-	23,985	5,615	3,001	2,614
Costa Rica.....	19	493,515	344,875	171,652	1,994	102	2	102	608	283	23
El Salvador.....	13	2,235,735	1,942,415	1,004,545	906	138	1	138	196	187	9
Guatemala.....	16	558,446	304,141	156,457	837	36	1	36	417	414	3
Honduras.....	10	349,846	209,124	109,036	1,361	1	-	-	467	467	-
Nicaragua.....	6	309,545	169,028	88,402	624	-	-	-	249	249	-
Panama.....	55	2,445,082	2,070,368	1,035,340	35,646	23,729	15	23,709	3,678	1,099	2,579
Caribbean Republics, total.....	-	-	-	-	11,787	264	-	198	6,281	6,215	66
Cuba.....	13	1,191,812	975,148	495,257	1,263	241	1	175	600	539	61
Dominican Republic.....	14	448,269	299,906	153,999	9,375	16	1	16	5,366	5,362	4
Haiti.....	11	330,331	186,202	96,827	1,149	7	1	7	315	314	1
South America, total.....	-	-	-	-	616,483	71,541	-	69,914	486,965	466,117	20,848
Argentina.....	247	7,120,888	6,701,180	3,434,591	40,226	15,869	28	15,798	15,924	10,023	5,901
Bolivia.....	10	155,331	146,074	74,019	318	-	-	-	110	110	-
Brazil.....	296	9,471,499	8,618,444	4,388,711	49,967	16,518	48	16,350	19,164	14,516	4,648
Chile.....	96	6,109,529	5,599,368	2,865,028	83,321	3,965	9	3,965	84,689	83,435	1,254
Colombia.....	151	4,647,425	4,485,471	2,172,340	29,066	3,761	22	2,520	18,520	17,499	1,021
Ecuador.....	22	2,128,843	2,030,061	1,049,550	1,909	288	3	288	725	662	63
Paraguay.....	7	2,583,129	2,323,312	1,202,493	691	177	1	177	232	196	36
Peru.....	86	5,409,966	4,821,015	2,471,250	18,613	3,482	14	3,467	8,474	7,198	1,276
Uruguay.....	59	4,494,433	4,220,515	2,177,124	3,772	2,040	10	2,040	937	441	496
Venezuela.....	130	7,211,293	6,743,283	3,312,756	388,600	25,441	29	25,309	338,190	332,037	6,153
Other Western Hemisphere, total.....	-	-	-	-	77,005	4,470	5	4,465	28,789	27,969	820
The Bahamas.....	7	1,042,864	830,742	424,862	4,596	4,180	2	4,180	765	-	765
Bermuda.....	3	418,378	409,093	182,804	8,980	-	-	-	-	-	-
Jamaica.....	17	912,913	737,956	347,835	39,473	285	3	285	8,006	7,951	55
Other British West Indies.....	15	471,238	307,769	151,596	13,511	5	-	-	14,575	14,575	-
Netherlands Antilles.....	4	67,388	67,236	34,771	219	-	-	-	85	85	-
Other Western Hemisphere.....	5	128,331	113,353	55,099	10,226	-	-	-	5,358	5,358	-
Europe, total.....	-	-	-	-	864,068	660,602	305	656,764	371,042	93,014	278,028
Common Market countries, total.....	-	-	-	-	377,367	274,149	-	272,229	161,426	39,382	122,044
Belgium.....	86	5,907,811	5,458,658	2,777,512	38,889	32,385	29	32,182	19,558	3,923	15,635
France.....	141	5,688,336	5,447,013	2,762,846	43,783	23,595	69	23,437	16,005	3,837	12,168
Italy.....	181	7,901,443	7,217,360	3,728,180	43,491	9,479	29	9,450	9,162	5,583	3,579
Luxembourg.....	3	162,167	161,079	83,366	244	-	-	-	11	11	-
Netherlands.....	82	5,542,422	4,972,121	2,567,106	57,073	53,171	42	51,984	23,689	625	23,064
West Germany.....	220	7,480,527	7,062,993	3,616,506	193,887	155,519	101	155,276	93,001	25,403	67,598
Other European countries, total.....	-	-	-	-	486,701	386,453	-	384,435	209,616	53,632	155,984
Denmark.....	32	3,468,579	3,401,441	1,755,165	8,129	6,869	15	6,869	2,928	104	2,824
Finland.....	20	3,841,911	3,533,554	1,829,763	1,470	505	7	505	317	29	288
Greece.....	13	370,697	303,318	155,583	450	-	-	-	123	123	-
Ireland.....	13	333,894	318,277	161,552	360	161	3	161	120	55	65
Liechtenstein.....	1	3,727	3,557	1,805	750	-	-	-	-	-	-
Norway.....	27	2,336,767	2,105,569	1,086,123	2,211	823	12	823	921	457	464
Portugal.....	17	3,484,184	3,176,974	1,649,943	4,125	3,758	6	3,725	1,665	916	749
Spain.....	87	4,638,663	4,496,409	2,311,856	7,177	2,092	14	2,080	1,651	1,104	547
Sweden.....	50	4,290,340	4,014,881	2,075,256	10,441	4,365	18	4,332	2,360	234	2,126
Switzerland.....	83	4,096,875	3,810,548	1,973,499	24,044	19,807	28	19,792	6,831	831	6,000
Turkey.....	22	1,043,684	1,030,686	527,589	1,965	141	2	141	614	568	46
United Kingdom.....	520	9,553,476	8,865,654	4,532,845	419,002	343,380	212	341,455	189,542	48,635	140,907
Other European countries.....	32	2,432,049	2,331,775	1,207,112	6,577	4,552	7	4,552	2,544	576	1,968
Africa, total.....	-	-	-	-	90,422	72,753	58	72,420	26,510	4,696	21,814
Algeria.....	5	756,782	532,709	277,313	837	1,127	3	1,127	562	203	359
Congo (formerly Belgium Congo).....	5	320,009	275,317	90,900	328	40	-	-	61	61	-
Egypt.....	16	2,711,193	2,667,134	1,367,667	3,124	169	-	-	423	423	-
Ghana.....	3	229,932	170,778	88,159	1,321	584	1	584	672	371	301
Liberia.....	3	352,747	351,135	175,504	31,365	30,983	4	30,983	8,422	-	8,422
Morocco.....	8	85,747	78,821	36,172	1,580	208	3	207	211	158	53
Nigeria.....	5	260,276	239,190	117,157	19	-	-	-	8	8	-
Rhodesia and Nyasaland.....	15	733,464	717,501	342,387	4,708	4,372	4	4,371	1,844	95	1,749
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	171	5,096,021	4,870,975	2,509,536	43,960	34,501	47	34,379	13,752	3,038	10,714
Other African countries.....	23	2,724,498	2,326,604	1,208,543	3,208	769	4	769	555	339	216
Asia, total.....	-	-	-	-	945,227	137,945	86	135,922	501,825	446,510	55,315
Burma.....	9	99,404	90,281	43,226	41	-	-	-	16	16	-
Formosa.....	9	135,621	134,329	68,958	117	-	-	-	27	27	-
Hong Kong.....	37	444,639	426,685	204,373	4,157	647	3	647	506	426	80
India.....	89	5,030,521	4,661,791	2,402,492	13,402	4,632	23	4,540	10,172	8,150	2,022
Indonesia.....	10	2,105,934	2,056,622	1,064,737	19,318	18,873	4	18,873	9,493	7	9,486
Iran.....	23	3,294,805	2,721,793	1,418,214	117,895	1,168	-	-	78,212	78,212	-
Iraq.....	6	946,623	681,124	356,669	45,609	45,440	2	45,440	18,242	158	18,084
Israel.....	94	395,513	378,289	185,432	2,774	828	5	827	1,077	817	260
Japan.....	314	11,909,661	11,070,301	5,658,555	95,823	7,466	27	7,106	18,278	15,370	2,908
Kuwait.....	6	262,967	233,753	123,412	132,573	10,720	2	10,720	75,719	70,457	5,262
Malaya.....	15	867,968	859,490	439,251	3,994	2,229	7	2,229	2,024	1,079	945
Pakistan.....	29	386,101	364,835	179,169	2,837	331	3	325	1,731	1,619	112
Philippine Republic.....	127	3,273,059	3,304,572	1,573,425	29,986	20,423	33	20,032	16,735	11,091	5,644
Saudi Arabia.....	9	871,113	806,843	412,788	438,328	-	-	-	251,522	251,522	-
South Korea.....	4	114,360	114,308	59,468	12	-	-	-	-	-	-
Thailand.....	19	576,254	570,076	291,384	2,720	555	1	550	1,073	935	138
Other Asian countries.....	42	3,698,830	3,376,318	1,741,224	35,641	24,633	7	24,633	16,998	6,624	10,374
Oceania, total.....	-	-	-	-	102,802	83,482	83	83,319	50,895	9,201	41,694
Australia.....	312	6,180,648	5,778,285	2,961,557	92,242	74,753	74	74,598	45,836	8,487	37,349
New Zealand.....	66	2,819,665	2,749,898	1,415,713	10,553	8,729	22	8,721	5,057	712	4,345
Other countries of Oceania.....	3	31,030	21,924	10,127	7	-	-	-	2	2	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	15,114	2,517	4	2,249	5,499	4,796	703
Canal Zone.....	1	111,722	110,067	52,305	138	-	-	-	-	-	-
Guam.....	11	583,725	574,700	292,862	1,231	-	-	-	577	577	-
Puerto Rico.....	182	5,595,589	5,091,034	2,599,790	13,762	2,517	4	2,249	4,874	4,171	703
Virgin Islands.....	5	63,213	52,174	19,484	159	-	-	-	48	48	-
Country not stated and other income from outside the United States.....	76	3,259,721	2,964,016	1,487,117	95,424	12,585	6	11,527	9,571	6,068	3,503

Footnote at end of table.

RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 12.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY SIZE OF TOTAL ASSETS AND BY COUNTRY WHERE FOREIGN TAX WAS PAID—Continued

Size of total assets and country	Number of returns	Net income (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Total (Thousand dollars)	Dividends		Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)
							From related foreign corporations	Amount (Thousand dollars)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
RETURNS WITH ASSETS UNDER \$100,000,000											
All areas, total.....	-	-	-	-	520,274	169,807	450	166,946	235,892	170,595	65,297
Canada.....	2,235	2,666,375	2,724,998	1,258,743	96,628	44,968	209	43,163	39,035	19,228	19,807
Latin American Republics, total.....	-	-	-	-	150,577	20,280	81	19,860	92,931	87,920	5,011
Mexico.....	320	1,014,233	992,829	505,472	31,136	5,842	42	5,728	13,926	11,876	2,050
Central America, total.....	-	-	-	-	8,102	2,291	-	2,270	1,913	1,449	464
Costa Rica.....	11	43,428	43,033	22,218	1,441	-	-	-	422	422	-
El Salvador.....	4	16,226	13,868	6,508	248	138	1	138	41	32	9
Guatemala.....	8	29,114	25,837	12,393	333	36	1	36	113	110	3
Honduras.....	5	3,535	3,215	1,567	818	1	-	-	300	300	-
Nicaragua.....	2	3,570	3,528	1,822	82	-	-	-	20	20	-
Panama.....	36	98,400	93,499	47,492	5,180	2,116	7	2,096	1,017	565	452
Caribbean countries, total.....	-	-	-	-	6,104	82	-	16	3,384	3,380	4
Cuba.....	6	21,403	21,336	10,898	65	66	-	-	-	-	-
Dominican Republic.....	6	15,186	13,172	6,641	5,004	16	1	16	3,151	3,147	4
Haiti.....	8	27,078	23,563	11,253	1,035	-	-	-	233	233	-
South America, total.....	-	-	-	-	105,235	12,065	-	11,846	73,708	71,215	2,493
Argentina.....	177	440,661	429,235	217,270	10,965	659	9	631	4,234	3,992	242
Bolivia.....	6	23,437	23,405	12,083	138	-	-	-	44	44	-
Brazil.....	208	613,480	598,507	303,968	10,671	1,611	19	1,550	4,512	4,034	478
Chile.....	65	217,389	199,054	101,160	31,418	88	2	88	41,432	41,415	17
Colombia.....	108	271,892	255,738	122,744	20,500	384	10	384	13,879	13,726	153
Ecuador.....	15	33,645	31,226	16,045	1,793	253	2	253	667	618	49
Paraguay.....	2	2,534	2,436	1,249	242	-	-	-	136	136	-
Peru.....	49	160,740	151,342	75,065	6,397	364	5	364	2,880	2,822	58
Uruguay.....	35	77,621	76,205	37,869	992	-	-	-	315	315	-
Venezuela.....	65	173,134	159,888	79,416	22,119	8,706	9	8,576	5,609	4,113	1,496
Other Western Hemisphere, total.....	-	-	-	-	11,138	274	2	269	3,149	3,100	49
The Bahamas.....	-	-	-	-	-	-	-	-	-	-	-
Bermuda.....	1	10,483	10,483	5,443	1	-	-	-	-	-	-
Jamaica.....	8	57,231	51,102	26,432	10,366	269	2	269	2,871	2,822	49
Other British West Indies.....	7	17,444	16,589	8,040	657	5	-	-	243	243	-
Netherlands Antilles.....	2	10,958	10,830	5,614	111	-	-	-	34	34	-
Other Western Hemisphere.....	1	129	114	53	3	-	-	-	1	1	-
Europe, total.....	-	-	-	-	142,962	88,773	210	88,447	58,401	22,928	35,473
Common Market countries, total.....	-	-	-	-	58,217	29,520	-	30,667	21,302	9,733	11,569
Belgium.....	45	217,075	209,702	103,623	3,959	1,257	9	1,175	1,235	945	290
France.....	79	229,506	256,456	111,048	13,559	9,219	36	10,573	5,857	994	4,863
Italy.....	107	390,958	385,166	195,323	10,117	1,319	10	1,303	1,975	1,393	582
Luxembourg.....	1	3,231	3,231	1,496	4	-	-	-	-	-	-
Netherlands.....	40	180,332	175,725	89,301	2,611	1,789	19	1,769	1,030	222	808
West Germany.....	145	457,863	441,179	220,784	27,967	15,936	53	15,847	11,205	6,179	5,026
Other European countries, total.....	-	-	-	-	84,745	59,253	-	57,780	37,099	13,195	23,904
Denmark.....	10	73,833	70,808	36,562	585	22	3	22	111	103	8
Finland.....	5	23,937	23,932	12,073	59	-	-	-	6	6	-
Greece.....	5	8,159	8,154	3,915	42	-	-	-	5	5	-
Ireland.....	7	50,011	50,010	25,955	214	60	2	60	73	49	24
Liechtenstein.....	1	3,727	3,557	1,805	750	-	-	-	-	-	-
Norway.....	10	93,092	90,851	46,225	561	262	4	262	338	200	138
Portugal.....	7	28,503	27,666	13,645	904	901	1	868	86	14	72
Spain.....	47	140,748	139,118	70,541	1,015	237	3	237	261	190	71
Sweden.....	24	106,731	100,630	50,674	1,532	958	7	950	340	135	205
Switzerland.....	50	153,784	151,633	76,850	2,688	691	11	688	500	321	179
Turkey.....	7	25,140	24,944	12,488	604	-	-	-	98	98	-
United Kingdom.....	405	1,101,622	1,103,953	540,694	72,883	53,320	144	51,891	33,749	11,806	21,943
Other European countries.....	19	51,695	51,086	26,045	2,908	2,802	3	2,802	1,532	268	1,264
Africa, total.....	-	-	-	-	14,878	4,642	26	4,597	3,478	2,456	1,022
Algeria.....	1	10,483	10,483	5,443	1	-	-	-	-	-	-
Congo (formerly Belgium Congo).....	1	861	848	408	11	11	-	-	2	2	-
Egypt.....	8	26,183	25,846	13,212	503	-	-	-	28	28	-
Ghana.....	-	-	-	-	-	-	-	-	-	-	-
Liberia.....	3	7,277	7,214	2,755	2,164	2,135	2	2,135	270	-	270
Morocco.....	3	28,595	28,556	14,654	1,301	18	1	18	165	158	7
Nigeria.....	-	-	-	-	-	-	-	-	-	-	-
Rhodesia and Nyasaland.....	10	38,333	36,725	18,995	361	102	1	101	149	95	54
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	126	325,153	318,484	162,500	9,057	2,326	22	2,293	2,686	2,000	686
Other African countries.....	11	38,211	38,087	19,557	1,480	50	1	50	178	173	5
Asia, total.....	-	-	-	-	63,625	4,941	39	4,810	27,695	26,061	1,634
Burma.....	3	5,575	5,564	2,697	19	-	-	-	3	3	-
Formosa.....	6	39,474	38,313	19,767	99	-	-	-	20	20	-
Hong Kong.....	20	25,692	25,667	13,143	1,561	87	1	87	191	180	11
India.....	48	111,513	108,569	55,702	5,857	311	10	311	3,490	3,260	230
Indonesia.....	4	13,233	13,225	6,737	-	10	1	10	8	4	-
Iran.....	11	24,410	22,076	10,447	10,877	41	-	-	6,459	6,459	-
Iraq.....	2	3,426	3,421	1,783	460	-	-	-	140	140	-
Israel.....	86	87,077	85,777	42,890	2,150	812	4	811	840	587	253
Japan.....	201	531,009	516,507	260,837	22,900	327	9	305	4,413	4,289	124
Kuwait.....	2	7,424	6,289	3,257	6,458	-	-	-	6,893	6,893	-
Malaya.....	4	33,488	33,149	17,029	1,025	161	1	161	498	445	53
Pakistan.....	16	25,857	21,983	10,490	2,106	8	1	8	1,233	1,229	4
Philippine Republic.....	75	310,721	302,051	148,267	7,934	2,990	12	2,923	2,985	2,112	873
Saudia Arabia.....	1	10,483	10,483	5,443	2	-	-	-	-	-	-
South Korea.....	1	2,188	2,183	1,129	7	-	-	-	-	-	-
Thailand.....	10	57,670	54,418	27,376	164	-	-	-	41	41	-
Other Asian countries.....	19	72,329	72,771	36,977	2,006	194	3	194	481	399	82
Oceania, total.....	-	-	-	-	18,546	5,151	49	5,067	6,728	4,618	2,110
Australia.....	233	831,163	817,434	414,371	16,310	4,372	44	4,296	5,696	3,969	1,727
New Zealand.....	40	166,431	163,365	83,556	2,229	779	9	771	1,030	647	383
Other countries of Oceania.....	1	2,574	2,574	1,333	7	-	-	-	2	2	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	5,985	321	2	278	2,026	1,924	102
Canal Zone.....	-	-	-	-	-	-	-	-	-	-	-
Guam.....	6	22,415	18,989	9,252	411	-	-	-	199	199	-
Puerto Rico.....	128	304,776	291,272	145,149	5,480	321	2	278	1,786	1,684	102
Virgin Islands.....	3	3,500	3,372	1,737	94	-	-	-	41	41	-
Country not stated and other income from outside the United States.....	48	83,608	76,873	39,304	15,935	457	2	455	2,449	2,360	89

Footnote at end of table.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, 1961

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RETURNS WITH SUPPORTING STATEMENTS, FORM 1118

Table 12.—NUMBER OF RETURNS, NET INCOME, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME AND FOREIGN TAXES, BY SIZE OF TOTAL ASSETS AND BY COUNTRY WHERE FOREIGN TAX WAS PAID—Continued

Size of total assets and country	Number of returns	Net income. (Thousand dollars)	Income subject to U.S. tax (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Taxable income from foreign sources				Foreign taxes		
					Total (Thousand dollars)	Dividends		Total, excluding carryover (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	
						Total (Thousand dollars)	From related foreign corporations				
							Number of returns				Amount (Thousand dollars)
RETURNS WITH ASSETS \$100,000,000 OR MORE	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All areas, total.....	-	-	-	-	3,074,451	1,248,542	183	1,238,820	1,521,526	997,760	523,766
Canada.....	334	17,051,070	16,128,849	8,105,115	555,058	267,653	108	266,410	192,544	63,024	129,520
Latin American Republics, total.....	-	-	-	-	602,400	111,094	77	109,667	438,777	405,920	32,848
Mexico.....	141	10,481,385	9,599,978	4,882,078	52,203	29,721	42	29,702	18,921	6,640	12,281
Central America, total.....	-	-	-	-	33,266	21,715	-	21,715	3,702	1,552	2,150
Costa Rica.....	8	450,087	301,842	149,434	553	102	2	102	186	163	23
El Salvador.....	9	2,219,509	1,928,547	998,037	658	-	-	-	155	155	-
Guatemala.....	8	529,332	278,304	144,064	504	-	-	-	304	304	-
Honduras.....	5	346,311	205,909	107,469	543	-	-	-	167	167	-
Nicaragua.....	4	305,975	165,500	86,580	542	-	-	-	229	229	-
Panama.....	19	2,346,682	1,976,869	987,848	30,466	21,613	8	21,613	2,661	534	2,127
Caribbean Republics, total.....	-	-	-	-	5,683	182	-	182	2,897	2,835	62
Cuba.....	7	1,170,409	953,812	484,359	1,198	175	1	175	600	539	61
Dominican Republic.....	8	433,083	286,734	147,358	4,371	-	-	-	2,215	2,215	-
Haiti.....	3	303,253	162,639	85,574	114	7	1	7	82	81	1
South America, total.....	-	-	-	-	511,248	59,476	-	58,068	413,257	394,902	18,355
Argentina.....	70	6,680,227	6,271,945	3,217,321	29,261	15,210	19	15,167	11,690	6,031	5,659
Bolivia.....	4	131,894	122,669	61,936	180	-	-	-	66	66	-
Brazil.....	88	8,858,019	8,019,937	4,084,743	39,296	14,907	29	14,800	14,652	10,482	4,170
Chile.....	31	5,892,140	5,400,314	2,763,868	51,903	3,877	7	3,877	43,257	42,020	1,237
Colombia.....	43	4,375,533	4,229,733	2,049,596	8,566	3,377	12	2,136	4,641	3,773	868
Ecuador.....	7	2,095,198	1,998,835	1,033,505	116	35	1	35	58	44	14
Paraguay.....	5	2,580,595	2,320,876	1,201,244	449	177	1	177	96	60	36
Peru.....	37	5,249,226	4,669,673	2,396,185	12,216	3,118	9	3,103	5,594	4,376	1,218
Uruguay.....	24	4,416,812	4,144,310	2,139,255	2,780	2,040	10	2,040	622	126	496
Venezuela.....	65	7,038,159	6,583,395	3,233,340	366,481	16,735	20	16,733	332,581	327,924	4,657
Other Western Hemisphere, total.....	-	-	-	-	65,867	4,196	3	4,196	25,640	24,869	771
The Bahamas.....	7	1,042,864	830,742	424,862	4,596	4,180	2	4,180	765	-	765
Bermuda.....	2	407,895	398,610	177,361	8,979	-	-	-	-	-	-
Jamaica.....	9	855,682	686,854	321,403	29,107	16	1	16	5,135	5,129	6
Other British West Indies.....	8	453,794	291,180	143,556	12,854	-	-	-	14,332	14,332	-
Netherlands Antilles.....	2	56,430	56,406	29,157	108	-	-	-	51	51	-
Other Western Hemisphere.....	4	128,202	113,239	55,046	10,223	-	-	-	5,357	5,357	-
Europe, total.....	-	-	-	-	721,106	571,829	95	568,317	312,641	70,086	242,555
Common Market countries, total.....	-	-	-	-	319,150	244,629	-	244,629	140,124	29,649	110,475
Belgium.....	41	5,690,736	5,248,956	2,673,889	34,930	31,128	20	31,007	18,323	2,978	15,345
France.....	62	5,458,830	5,190,557	2,651,798	30,224	14,376	33	12,864	10,148	2,843	7,305
Italy.....	74	7,510,485	6,832,194	3,532,857	33,374	8,160	19	8,147	7,187	4,190	2,997
Luxembourg.....	2	158,936	157,848	81,870	240	-	-	-	11	11	-
Netherlands.....	42	5,362,090	4,796,396	2,477,805	54,462	51,382	23	50,215	22,659	403	22,256
West Germany.....	75	7,022,664	6,621,814	3,395,722	165,920	139,583	48	139,429	81,796	19,224	62,572
Other European countries, total.....	-	-	-	-	401,956	327,200	-	326,655	172,517	40,437	132,080
Denmark.....	22	3,394,746	3,330,633	1,718,603	7,544	6,847	12	6,847	2,817	1	2,816
Finland.....	15	3,817,974	3,509,622	1,817,690	1,411	505	7	505	311	23	288
Greece.....	8	362,538	295,164	151,668	408	-	-	-	118	118	-
Ireland.....	6	283,883	268,267	135,597	146	101	1	101	47	6	41
Liechtenstein.....	-	-	-	-	-	-	-	-	-	-	-
Norway.....	17	2,243,675	2,014,718	1,039,898	1,650	561	8	561	583	257	326
Portugal.....	10	3,455,681	3,149,308	1,636,298	3,221	2,857	5	2,857	1,579	902	677
Spain.....	40	4,497,915	4,357,291	2,241,315	6,162	1,855	11	1,843	1,390	914	476
Sweden.....	26	4,183,609	3,914,251	2,024,582	8,909	3,407	11	3,382	2,020	99	1,921
Switzerland.....	33	3,943,091	3,658,915	1,896,649	21,356	19,116	17	19,104	6,331	510	5,821
Turkey.....	15	1,018,714	1,005,742	515,101	1,361	141	2	141	516	470	46
United Kingdom.....	115	8,451,854	7,761,701	3,992,151	346,119	290,060	68	289,564	155,793	36,829	118,964
Other European countries.....	13	2,380,354	2,280,689	1,181,067	3,669	1,750	4	1,750	1,012	308	704
Africa, total.....	-	-	-	-	75,544	68,111	32	67,823	23,032	2,240	20,792
Algeria.....	4	746,299	522,226	271,870	836	1,127	3	1,127	562	203	359
Congo (formerly Belgium Congo).....	4	319,148	174,469	90,492	317	29	-	29	59	59	-
Egypt.....	8	2,685,010	2,641,288	1,354,455	2,621	169	-	-	395	395	-
Ghana.....	3	229,932	170,778	88,159	1,321	584	1	584	672	371	301
Liberia.....	5	345,470	343,921	172,749	29,201	28,848	2	28,848	8,152	-	8,152
Morocco.....	5	57,152	50,265	21,518	279	190	2	189	46	-	46
Nigeria.....	5	260,276	239,190	117,157	19	-	-	-	8	8	-
Rhodesia and Nyasaland.....	5	695,131	680,776	323,392	4,347	4,270	3	4,270	1,695	-	1,695
Tangier.....	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	45	4,770,868	4,552,491	2,347,036	34,903	32,175	25	32,086	11,066	1,038	10,028
Other African countries.....	12	2,686,287	2,288,517	1,188,986	1,728	719	3	719	377	166	211
Asia, total.....	-	-	-	-	881,602	133,004	47	131,112	474,130	420,449	53,681
Burma.....	6	93,829	84,717	40,529	22	-	-	-	13	13	-
Formosa.....	3	96,147	96,016	49,191	18	-	-	-	7	7	-
Hong Kong.....	17	418,947	401,018	191,230	2,596	560	2	560	315	246	69
India.....	41	4,919,008	4,553,222	2,346,790	7,545	4,321	13	4,229	6,682	4,890	1,792
Indonesia.....	6	2,092,701	2,043,397	1,058,000	19,318	18,863	3	18,863	9,485	3	9,482
Iran.....	12	3,270,395	2,699,717	1,407,767	107,018	1,127	-	-	71,753	71,753	-
Iraq.....	4	943,197	677,703	354,886	45,149	45,440	2	45,440	18,102	18	18,084
Israel.....	8	308,436	292,512	142,542	624	16	1	16	237	230	7
Japan.....	113	11,378,652	10,553,794	5,398,018	72,923	7,139	18	6,801	13,865	11,081	2,784
Kuwait.....	4	255,543	227,464	120,155	126,115	10,720	2	10,720	68,826	63,564	5,262
Malaya.....	11	834,480	826,341	422,222	2,969	2,068	6	2,068	1,526	634	892
Pakistan.....	13	360,244	342,852	168,679	731	323	2	317	498	390	108
Philippine Republic.....	52	2,962,338	3,002,521	1,425,158	22,052	17,433	21	17,109	13,750	8,979	4,771
Saudi Arabia.....	8	860,630	796,360	407,345	438,326	-	-	-	251,522	251,522	-
South Korea.....	3	112,172	112,125	58,339	5	-	-	-	-	-	-
Thailand.....	9	518,584	515,658	264,008	2,556	555	1	550	1,032	894	138
Other Asian countries.....	23	3,626,501	3,303,547	1,704,247	33,635	24,439	4	24,439	16,517	6,225	10,292
Oceania, total.....	-	-	-	-	84,256	78,331	34	78,252	44,167	4,583	39,584
Australia.....	79	5,349,485	4,960,851	2,547,186	75,932	70,381	30	70,302	40,140	4,518	35,622
New Zealand.....	26	2,653,234	2,586,533	1,332,157	8,324	7,950	13	7,950	4,027	65	3,962
Other countries of Oceania.....	2	28,456	19,350	8,794	-	-	-	-	-	-	-
Puerto Rico and U. S. Possessions, total.....	-	-	-	-	9,129	2,196	2	1,971	3,473	2,872	601
Canal Zone.....	1	111,722	110,067	52,305	138	-	-	-	-	-	-
Guam.....	5	566,310	5								

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample." Since a corporation may claim credit for taxes paid in each country from which income is remitted, data in the first four columns—obtained from the domestic corporation's income statement—may be repeated for several countries. Consequently, these data are noncumulative and do not add to area totals. Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, HISTORICAL SUMMARY

RETURNS WITH AND WITHOUT FOREIGN TAX CREDIT

Table 13.—NUMBER OF RETURNS, NET INCOME, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT CLAIMED, BY INDUSTRIAL DIVISION, 1954-1956 and 1959-1961

Industrial division and selected year	All active corporation returns			Returns with foreign tax credit claimed									
	Number of returns	Dividends received from foreign corporations (Thousand dollars)	Net income (less deficit) (Thousand dollars)	Number of returns	Net income (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118					
								Number of returns	Taxable income from foreign sources (Thousand dollars)	Net income (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ALL INDUSTRIAL DIVISIONS													
1954.....	722,805	613,140	36,328,435	3,215	16,564,910	7,247,355	725,549	2,422	1,546,035	15,252,577	6,713,990	699,937	630,808
1955.....	807,303	772,177	47,478,271	3,688	23,171,398	10,496,471	959,418	3,084	2,130,401	21,956,865	9,935,150	951,240	862,452
1956.....	885,747	758,292	46,884,912	3,856	21,724,057	9,443,402	997,813	3,298	2,270,323	20,778,422	9,011,097	1,085,970	909,879
1959.....	1,074,120	1,040,403	46,797,267	3,993	23,472,251	11,319,837	1,179,313	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	1,140,574	1,069,708	43,505,174	4,740	22,950,724	10,992,758	1,223,501	4,250	2,774,397	21,978,404	10,534,842	1,767,942	1,139,651
1961.....	1,190,286	1,514,362	45,893,900	4,427	24,540,337	11,602,921	1,492,900	3,821	3,594,725	23,962,860	11,371,203	2,332,358	1,476,963
AGRICULTURE, FORESTRY, AND FISHERIES													
1954.....	8,779	3,784	122,283	41	60,974	26,153	11,423	36	24,018	38,077	14,597	9,319	9,273
1955.....	10,303	776	123,231	34	60,933	26,817	11,132	26	5,004	9,047	3,304	1,735	1,730
1956.....	10,973	2,327	128,947	20	74,241	31,146	9,552	17	1,459	24,323	8,644	414	352
1959.....	15,603	2,675	105,884	24	33,182	12,861	5,382	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	17,139	342	37,334	18	7,185	2,171	96	15	280	6,350	1,774	119	96
1961.....	18,981	3,156	110,151	15	17,500	4,898	1,404	13	377	11,516	3,544	71	69
MINING													
1954.....	9,585	1,869	740,913	62	489,388	237,705	159,042	55	311,947	459,783	222,870	161,506	154,952
1955.....	10,718	2,842	1,080,309	106	721,281	340,969	216,645	93	437,675	674,020	317,885	217,141	213,964
1956.....	11,743	4,458	1,165,232	142	793,528	374,151	235,717	128	488,925	784,300	370,150	284,161	233,982
1959.....	12,920	5,428	645,874	122	723,732	323,804	265,694	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	13,017	6,363	738,864	146	804,593	365,014	289,481	143	575,770	803,962	364,853	474,762	289,473
1961.....	13,731	9,965	862,437	98	867,859	393,840	299,268	78	600,343	856,742	389,515	535,552	297,964
CONSTRUCTION													
1954.....	36,130	3,186	487,594	92	81,956	37,085	6,801	72	19,611	77,160	35,001	7,784	6,488
1955.....	41,569	2,321	477,838	105	77,174	31,894	5,308	94	19,761	75,534	31,155	5,926	5,188
1956.....	48,292	2,666	676,797	97	93,223	41,752	5,507	81	17,008	91,465	40,968	5,462	5,317
1959.....	66,260	4,747	579,108	132	125,018	55,420	12,018	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	72,332	3,872	579,212	105	115,025	53,215	9,758	99	34,583	105,967	48,904	9,889	9,046
1961.....	83,791	6,703	509,159	101	109,001	43,124	8,449	71	26,778	106,588	41,144	8,703	7,666
MANUFACTURING													
1954.....	120,896	452,327	18,289,865	1,415	10,609,897	5,154,201	432,723	1,127	895,204	9,753,392	4,780,356	440,431	385,720
1955.....	129,828	590,709	26,010,453	1,572	15,832,109	7,779,556	587,079	1,402	1,220,649	15,022,322	7,386,341	609,227	533,812
1956.....	132,835	544,558	24,628,749	1,619	13,639,963	6,594,686	599,041	1,459	1,222,543	12,970,432	6,277,984	657,290	543,568
1959.....	156,297	798,422	24,985,884	1,651	15,984,110	7,709,276	723,223	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	165,862	788,907	22,144,790	1,931	14,901,295	7,175,159	752,445	1,810	1,644,793	14,129,842	6,806,495	1,088,992	674,864
1961.....	173,558	1,207,770	22,493,578	1,862	15,694,116	7,495,998	989,175	1,750	2,367,934	15,424,519	7,360,197	1,574,401	979,715
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS AND SANITARY SERVICES													
1954.....	29,122	14,000	4,440,325	119	1,771,835	882,656	17,135	94	51,233	1,720,410	861,569	16,618	16,255
1955.....	33,017	14,073	5,775,740	127	2,406,272	1,204,872	18,185	116	113,954	2,339,969	1,181,608	21,789	17,827
1956.....	36,181	13,124	5,962,353	143	2,513,078	1,258,783	19,216	124	132,988	2,472,497	1,240,616	23,090	18,470
1959.....	43,195	9,424	6,790,796	157	3,198,558	1,612,068	19,079	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	43,852	19,951	6,592,116	153	3,158,583	1,575,652	13,133	147	46,329	3,147,047	1,569,862	14,034	12,633
1961.....	49,048	16,115	7,486,686	121	3,530,065	1,773,435	8,809	102	40,486	3,505,364	1,761,223	8,605	7,910
WHOLESALE AND RETAIL TRADE													
1954.....	238,523	79,214	3,647,762	428	671,634	310,550	55,653	269	70,317	571,224	260,527	23,998	23,095
1955.....	264,968	83,273	5,123,375	533	960,558	475,514	64,089	455	110,097	875,887	433,169	40,888	39,767
1956.....	286,252	84,358	5,242,583	504	996,087	489,486	60,475	419	120,431	917,845	450,912	45,550	43,346
1959.....	334,717	125,536	5,567,128	429	1,159,406	563,385	73,440	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	355,623	157,199	4,525,610	675	1,129,612	546,812	81,422	607	189,716	1,097,648	531,089	97,701	80,684
1961.....	364,947	134,530	4,563,809	624	852,322	399,804	75,079	503	192,772	823,357	386,019	95,922	81,776
FINANCE, INSURANCE, AND REAL ESTATE													
1954.....	205,339	49,841	8,003,817	805	2,729,553	525,902	27,502	571	131,319	2,516,476	483,029	30,333	25,588
1955.....	234,019	65,643	8,190,386	971	2,942,963	554,369	39,790	717	173,708	2,843,637	526,673	42,021	38,280
1956.....	265,005	90,074	8,235,900	1,006	3,414,669	565,183	47,692	798	212,455	3,371,882	554,201	51,273	47,063
1959.....	318,592	64,540	7,152,612	1,168	2,005,700	931,094	51,393	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	334,388	73,224	8,250,426	1,387	2,615,580	1,172,845	57,053	1,121	239,559	2,494,283	1,120,870	61,589	56,569
1961.....	340,210	93,011	8,982,109	1,280	3,180,300	1,361,121	71,208	1,048	270,355	3,019,002	1,324,096	75,655	69,296
SERVICES													
1954.....	64,845	8,883	591,128	253	149,673	73,103	15,271	198	42,386	116,055	56,041	9,948	9,437
1955.....	72,892	12,538	704,098	240	170,108	82,481	17,190	181	49,553	116,449	55,015	12,513	11,884
1956.....	81,598	16,507	843,282	303	199,169	88,186	20,596	261	74,294	145,601	67,600	18,719	17,690
1959.....	110,005	29,630	968,252	299	241,845	111,636	29,082	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	121,024	19,850	849,352	303	218,688	101,837	20,089	287	43,240	193,179	90,953	20,835	16,265
1961.....	137,955	53,112	889,926	325	289,148	130,695	39,508	256	95,680	215,772	105,465	33,449	32,567
NATURE OF BUSINESS NOT ALLOCABLE													
1954.....	9,586	36	4,748	-	-	-	-	-	-	-	-	-	-
1955.....	9,989	2	17,159	-	-	-	-	-	-	-	-	-	-
1956.....	12,868	220	1,069	22	99	29	17	11	220	77	22	11	11
1959.....	16,531	1	1,729	11	700	293	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	17,337	-	12,530	22	163	53	24	21	126	126	42	21	21
1961.....	8,065	-	13,955	1	26	6	(2)	-	-	-	-	-	-

n.a. - Not available.

Deficit.

Less than \$500.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample." The information for each of the years prior to 1961 appears in the Statistics of Income—Corporation Income Tax Returns report for that year.

Detail may not add to total due to rounding.

FOREIGN TAX CREDIT ON CORPORATION RETURNS, HISTORICAL SUMMARY

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RETURNS WITH AND WITHOUT FOREIGN TAX CREDIT

Table 14.—NUMBER OF RETURNS, NET INCOME, U.S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT CLAIMED, BY SIZE OF TOTAL ASSETS, 1954-1956 AND 1959-1961

Size of total assets and selected year	All active corporation returns			Returns with foreign tax credit claimed									
	Number of returns	Dividends received from foreign corporations (Thousand dollars)	Net income (less deficit) (Thousand dollars)	Number of returns	Net income (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118					
								Number of returns	Taxable income from foreign sources (Thousand dollars)	Net income (Thousand dollars)	U.S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)
TOTAL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1954.....	722,805	613,140	36,328,435	3,215	16,564,910	7,247,355	725,549	2,422	1,546,035	15,252,577	6,713,990	499,937	630,808
1955.....	807,303	772,177	47,478,271	3,688	23,171,398	10,496,471	959,418	3,084	2,130,401	21,956,865	9,935,150	551,240	862,452
1956.....	885,747	758,292	46,884,912	3,856	21,724,057	9,443,402	997,813	3,298	2,270,323	20,778,422	9,011,097	1,085,970	909,879
1959.....	1,074,120	1,040,403	46,797,267	3,993	23,472,251	11,319,837	1,179,313	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	1,140,574	1,069,708	43,505,174	4,740	22,950,724	10,992,758	1,223,501	4,250	2,774,397	21,978,404	10,534,842	1,767,942	1,139,651
1961.....	1,190,286	1,514,362	45,893,900	4,427	24,540,337	11,602,921	1,492,900	3,821	3,594,725	23,962,860	11,371,203	2,332,358	1,476,963
TOTAL ASSETS UNDER \$100,000 ¹													
1954.....	444,995	1,181	404,363	296	28,968	12,753	2,212	214	(²)	20,356	9,523	1,882	1,467
1955.....	491,415	4,163	649,590	297	112,047	53,073	3,423	190	8,690	99,892	48,299	2,987	2,892
1956.....	540,681	3,727	652,091	381	61,277	29,267	3,440	278	8,794	52,718	25,455	3,057	2,949
1959.....	645,995	767	669,499	332	103,863	51,861	1,024	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	684,614	1,443	110,020	490	33,320	15,005	3,527	418	15,408	32,328	14,578	3,917	3,350
1961.....	712,777	5,019	434,306	316	106,169	51,994	2,458	202	5,849	100,445	50,162	2,949	2,128
TOTAL ASSETS \$100,000 UNDER \$1,000,000													
1954.....	228,272	5,232	3,009,070	892	49,837	17,912	5,467	546	(²)	34,524	12,167	5,446	4,307
1955.....	260,134	4,101	4,104,281	983	68,656	24,805	6,469	746	17,819	55,577	20,143	5,694	5,017
1956.....	289,387	4,464	4,236,023	986	74,425	28,832	7,786	774	24,502	62,056	24,505	7,786	6,975
1959.....	364,204	3,693	4,600,491	975	56,284	21,325	8,467	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	389,307	3,505	3,820,001	1,414	71,574	25,522	7,003	1,217	27,217	64,790	23,437	10,718	6,906
1961.....	408,715	2,805	4,327,217	1,252	61,081	21,726	5,058	970	18,147	48,676	17,517	5,560	4,677
TOTAL ASSETS \$1,000,000 UNDER \$5,000,000													
1954.....	35,770	9,612	3,620,554	823	251,071	107,102	15,505	579	39,024	189,555	80,271	14,516	12,193
1955.....	40,853	10,916	4,780,211	926	300,869	126,345	18,189	795	51,180	265,048	111,751	18,431	16,744
1956.....	39,861	8,450	4,699,731	981	313,996	134,362	19,553	869	65,360	282,993	120,695	21,998	18,428
1959.....	46,104	10,997	4,478,058	974	303,625	128,366	20,349	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	47,983	15,709	3,731,756	1,095	309,416	129,512	20,915	973	61,421	281,277	118,395	25,388	19,727
1961.....	49,262	11,350	3,860,266	1,041	322,044	131,418	20,318	887	58,848	288,066	116,981	24,393	18,839
TOTAL ASSETS \$5,000,000 UNDER \$25,000,000													
1954.....	10,552	35,493	4,712,028	594	864,103	408,643	34,312	542	99,521	802,711	382,512	33,912	30,923
1955.....	11,457	40,752	5,780,148	767	1,188,740	558,883	42,862	708	131,415	1,123,654	529,054	44,183	40,264
1956.....	12,069	44,270	6,101,618	778	1,294,250	612,423	42,980	702	122,206	1,185,061	561,349	44,969	39,669
1959.....	13,494	39,968	5,547,947	852	1,212,506	565,192	39,534	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	14,083	37,594	4,769,484	862	1,107,759	519,755	44,545	799	129,964	1,041,343	490,346	53,768	42,457
1961.....	14,669	46,421	4,807,122	879	1,148,832	527,636	42,370	852	127,590	1,118,264	514,578	50,379	41,633
TOTAL ASSETS \$25,000,000 UNDER \$100,000,000													
1954.....	2,284	93,557	4,956,323	323	1,839,830	879,037	79,779	291	182,281	1,661,330	795,148	74,967	67,871
1955.....	2,417	118,880	6,024,721	388	2,385,143	1,138,177	108,826	355	289,837	2,227,053	1,062,345	110,186	104,413
1956.....	2,669	103,033	6,182,630	399	2,458,864	1,174,286	112,671	370	300,450	2,334,715	1,119,115	142,439	109,875
1959.....	3,047	87,214	6,050,783	454	2,596,487	1,264,796	110,882	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	3,254	106,902	5,387,432	474	2,467,030	1,192,203	117,334	460	314,175	2,415,949	1,166,178	211,793	117,089
1961.....	3,435	119,804	5,545,886	484	2,588,835	1,247,696	120,096	472	309,840	2,549,299	1,231,514	250,534	119,085
TOTAL ASSETS \$100,000,000 UNDER \$250,000,000													
1954.....	541	73,113	3,738,329	135	1,852,142	872,589	45,347	118	93,288	1,626,118	763,310	32,795	31,791
1955.....	607	112,820	4,862,847	163	2,508,007	1,196,977	65,499	141	229,518	2,149,885	1,022,664	64,555	59,616
1956.....	627	124,552	4,886,190	165	2,779,186	1,342,777	68,418	150	191,009	2,534,408	1,227,176	67,837	61,751
1959.....	736	166,105	5,215,571	193	3,141,431	1,537,523	126,448	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	766	141,660	4,658,898	184	2,677,071	1,293,110	115,335	172	272,635	2,497,603	1,210,402	141,082	109,943
1961.....	828	182,500	4,944,793	202	2,695,172	1,279,289	128,844	192	306,527	2,495,422	1,195,433	141,499	121,281
TOTAL ASSETS \$250,000,000 OR MORE													
1954.....	391	394,952	15,887,768	152	11,678,959	4,949,319	542,927	132	1,112,312	10,917,983	4,671,059	536,419	482,256
1955.....	420	480,545	21,276,473	164	16,607,936	7,398,211	714,150	149	1,401,942	16,035,756	7,140,894	705,204	633,506
1956.....	453	469,796	20,126,629	166	14,742,059	6,121,455	742,965	155	1,558,002	14,326,471	5,932,802	797,792	670,232
1959.....	540	731,659	20,234,918	213	16,058,055	7,750,774	872,609	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	567	762,895	21,027,583	221	16,284,554	7,817,651	914,842	211	1,953,577	15,645,114	7,511,506	1,321,276	840,179
1961.....	600	1,146,463	21,974,310	253	17,618,204	8,343,162	1,173,756	246	2,767,924	17,362,688	8,245,018	1,857,044	1,169,320

n.a. - Not available.

¹Includes returns with zero assets.²Estimate is not shown separately because of high sampling variability. However, the data are included in the total.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample." The information for each of the years prior to 1961 appears in the

Statistics of Income—Corporation Income Tax Returns report for that year.

Detail may not add to total due to rounding.

***Western Hemisphere
Trade Corporation
Returns, 1961***

Western Hemisphere Trade Corporation Returns

INTRODUCTION

The special provisions of the Internal Revenue Code which treat income derived from worldwide sources by domestic corporations operating abroad reflect a need for achieving fair tax results when income is subject to tax in more than one country. Were it not for the foreign tax credit, double taxation would be suffered by a domestic corporation on its income from foreign operations. Another problem encountered by domestic corporations operating abroad is that of competing with foreign corporations that may have the advantage of lower effective tax rates. To remedy any competitive disadvantage domestic corporations engaged in business in the Western Hemisphere may have relative to corporations from other foreign countries, a special deduction is allowed under section 922 of the Internal Revenue Code.

This special "Western Hemisphere trade corporation deduction" is equal to a fraction of taxable income (net income minus partially tax-exempt interest, and the statutory special deductions for net operating losses and dividends received and paid). The numerator of the fraction is 14 and the denominator is the combined normal tax and surtax rate for the taxable year. In 1961, this fraction was 14/52 or approximately 27 percent. The deduction cannot be taken if the corporation had a deficit for the year or if net income minus the dividends received and paid deductions results in a net operating loss.

To confine the special deduction to those domestic corporations for whom it is intended, a domestic corporation must satisfy the following requirements:

- (1) All of its business (other than incidental purchases) must be done in the countries of the Western Hemisphere;
- (2) At least 95 percent of its gross income for the 3-year period immediately preceding the close of the current taxable year must be derived from sources without the United States; and
- (3) 90 percent of its gross income in that same period must be derived from the active conduct of a trade or business.

A domestic corporation operating solely in the Western Hemisphere through foreign subsidiaries would not be entitled to the special deduction authorized Western Hemisphere trade corporations. Although 95 percent of such a domestic corporation's gross income would be from sources without the United States, it would not satisfy the statutory requirement that 90 percent of its gross income be "from the active conduct of a trade or business" because dividends are considered a return to investment. However, a Western Hemisphere trade corporation can be a domestic subsidiary or affiliate of a

group filing a consolidated return. Such subsidiaries or affiliates may confine their income-producing activity to operation of a foreign sales facility and satisfy all three requirements for the special deduction allowed a Western Hemisphere trade corporation. In many cases such as this, the products sold in the foreign country are actually purchased by the domestic Western Hemisphere trade corporation from its own American parent. A domestic manufacturing corporation which utilized a foreign sales branch would seldom satisfy the requirement that 95 percent of its gross income must be from sources without the United States.

Unlike foreign subsidiaries, a domestic Western Hemisphere trade corporation may be included in a consolidated return if all requirements are met. When included in an affiliated group of companies filing a consolidated return, the income of the Western Hemisphere trade corporation is exempt from the 2-percent additional tax imposed on corporations filing consolidated returns.

COVERAGE

Income and tax statistics shown for Western Hemisphere trade corporations reflected operations other than Western Hemisphere trade activity since aggregate data from consolidated returns of affiliated corporations were included. Data from a consolidated return were included if any member of the affiliated group qualified as a Western Hemisphere trade corporation, although in many cases the consolidated return reflected only a small amount of Western Hemisphere trade corporation experience.

The number of Western Hemisphere trade corporation returns is probably understated because in most instances the only means of identifying them was by the presence of the 27-percent special deduction. The understatement is probably concentrated among returns without net income where there was no taxable income to reduce by means of the deduction and consequently no deduction was shown. But the deduction may have also been omitted on certain returns with net income where a net operating loss carry-forward, or in some instances a special deduction for dividends received, or both, completely offset the taxable income before Western Hemisphere trade corporation deduction. Also, a consolidated return with net income may not have shown a Western Hemisphere trade corporation deduction if the Western Hemisphere trade corporation member of the affiliated group had a deficit for the year. An understatement in the number of Western Hemisphere trade corporations could also result from the fact that several members of an affiliated group filing a consolidated return may have been Western Hemisphere trade corporations, but since they were represented by a single tax return, they were counted only once.

SUMMARY OF THE DATA

The historical data in tables 18 and 19 show that the amount of Western Hemisphere trade corporation deduction has increased from \$141,000,000 in 1954 to \$222,000,000 in 1961. However, the rise has not been a steady one but has been subject to fluctuation. In part, this fluctuation can be attributed to the fact that the deduction is computed as a percentage of net income which is itself a variable item from year to year.

As in the case of the foreign tax credit, a small number of large corporations account for most of the total Western Hemisphere trade corporation deduction taken. Chart 5 shows that approximately two-thirds of the deduction has been consistently claimed on the 18 to 26 returns with assets of \$100,000,000 or more. Approximately one-half of the Western Hemisphere trade corporation deduction in 1961 was reported on six returns with net income of \$100,000,000 or more.

For 1961, the 26 returns with assets of \$100,000,000 or more--less than 5 percent of all returns claiming the deduction--accounted for nearly three-fourths of the total Western Hemisphere trade corporation deduction. These same firms also accounted for more than one-third of the total foreign tax credit claimed in 1961, and table 16 shows that they accounted for \$520,000,000 of the \$567,000,000 in foreign tax credit claimed on Western Hemisphere trade corporation returns. All but one of these returns were consolidated returns.

Chart 5.—WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, 1954-1956 AND 1959-1961

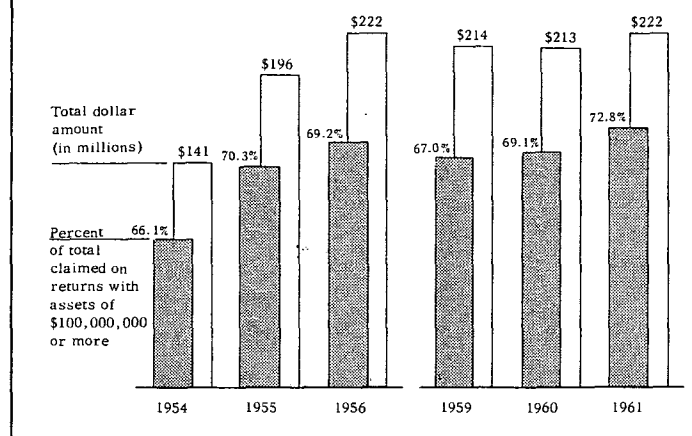


Table 15 shows that the 44 consolidated returns with a Western Hemisphere trade corporation deduction accounted for \$158,000,000 of the \$222,000,000 deduction. Over \$106,000,000 was claimed on the eight consolidated returns in Petroleum refining and related industries and another \$36,000,000 by the five consolidated firms in Primary metal industries. Most of the Western Hemisphere trade corporations in these groups were sales subsidiaries of a manufacturing parent.

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Table 15.—NUMBER OF RETURNS, TOTAL ASSETS, NET INCOME, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY MAJOR INDUSTRIAL GROUP

Major industrial group	Total number of Western Hemisphere trade corporation returns	Returns with net income								Income subject to U. S. tax (Thousand dollars)	U. S. income tax (Thousand dollars)
		Number of returns	Total assets (Thousand dollars)	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction						
					Total		Consolidated returns				
					Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
All industrial groups ¹	608	602	44,886,879	2,510,206	598	222,336	44	157,915	1,814,746	896,601	
Agriculture, forestry, and fisheries ¹	1	1	335,630	6,059	1	1,374	1	1,374	5,547	1,336	
Mining ¹	42	41	1,288,988	166,711	41	42,498	10	11,352	114,517	58,407	
Metal mining ¹	10	10	615,149	119,401	10	31,174	3	2,723	84,762	43,945	
Bituminous coal and lignite mining ¹	1	1	28,482	421	1	12	1	12	-	-	
Crude petroleum and natural gas ¹	30	29	617,389	44,050	29	10,424	5	7,729	27,804	13,454	
Mining and quarrying of nonmetallic minerals, and anthracite mining ¹	1	1	27,968	2,839	1	888	1	888	1,951	1,008	
Construction ¹	12	12	228,508	11,378	11	1,422	1	79	6,690	3,456	
Manufacturing ¹	81	79	38,318,762	2,069,532	77	150,591	24	144,456	1,473,508	735,541	
Beverage industries ¹	2	2	6,709	1,221	2	383	1	171	838	431	
Food and kindred products ¹	2	2	60,548	6,773	2	1,752	1	1,536	5,021	2,597	
Tobacco manufactures.....	-	-	-	-	-	-	-	-	-	-	
Textile mill products.....	-	-	-	-	-	-	-	-	-	-	
Apparel and other finished products made from fabrics and similar materials.....	-	-	-	-	-	-	-	-	-	-	
Lumber and wood products, except furniture.....	-	-	-	-	-	-	-	-	-	-	
Furniture and fixtures.....	-	-	-	-	-	-	-	-	-	-	
Paper and allied products.....	1	1	2,914	197	1	53	-	-	144	69	
Printing, publishing, and allied industries.....	11	11	13,340	3,074	11	824	-	-	2,250	1,108	
Chemicals and allied products ¹	27	26	852,471	28,153	26	2,850	3	169	23,239	11,713	
Petroleum refining and related industries ¹	11	10	30,654,474	1,508,548	9	107,570	8	106,213	965,439	504,933	
Rubber and miscellaneous plastics products.....	-	-	-	-	-	-	-	-	-	-	
Leather and leather products.....	-	-	-	-	-	-	-	-	-	-	
Stone, clay, and glass products.....	1	1	1,221	302	1	81	-	-	221	107	
Primary metal industries ¹	5	5	6,090,799	485,673	5	36,098	5	36,098	447,281	201,301	
Fabricated metal products (including ordnance), except machinery and transportation equipment.....	12	12	9,814	2,150	12	583	-	-	1,567	731	
Machinery, except electrical and transportation equipment ¹	4	4	15,784	1,029	4	122	3	120	395	189	
Electrical machinery, equipment, and supplies ¹	2	2	204,702	19,823	2	64	2	64	19,204	10,359	
Transportation equipment, except motor vehicles.....	-	-	-	-	-	-	-	-	-	-	
Motor vehicles and motor vehicle equipment ¹	1	1	361,240	11,209	1	85	1	85	7,568	1,892	
Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks.....	-	-	-	-	-	-	-	-	-	-	
Other manufacturing industries.....	2	2	44,746	1,380	1	126	-	-	341	111	
Transportation, communication, electric, gas, and sanitary services ¹	8	8	1,283,926	19,807	7	982	1	14	2,720	1,372	
Transportation ¹	6	6	161,855	3,887	6	933	1	14	2,588	1,310	
Communication.....	-	-	-	-	-	-	-	-	-	-	
Electric and gas companies and systems.....	2	2	1,122,071	15,920	1	49	-	-	132	62	
Water supply and other sanitary services.....	-	-	-	-	-	-	-	-	-	-	
Wholesale and retail trade ¹	429	427	568,545	90,787	427	22,609	3	81	68,167	34,082	
Wholesale trade ¹	404	402	551,222	89,160	402	22,255	3	81	66,894	33,489	
Groceries and related products.....	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)	(2)	
Electrical goods, hardware, and plumbing and heating equipment and supplies.....	25	25	5,998	918	25	255	-	-	663	307	
Other wholesalers ¹	321	319	511,735	83,940	319	20,845	3	81	63,085	31,719	
Retail trade.....	25	25	17,323	1,627	25	354	-	-	1,273	593	
Food.....	-	-	-	-	-	-	-	-	-	-	
General merchandise.....	22	22	3,262	613	22	170	-	-	443	179	
Apparel and accessories.....	-	-	-	-	-	-	-	-	-	-	
Furniture, home furnishings, and equipment.....	1	1	8,998	333	1	1	-	-	332	167	
Automotive dealers and gasoline service stations.....	-	-	-	-	-	-	-	-	-	-	
Eating and drinking places.....	-	-	-	-	-	-	-	-	-	-	
Building materials, hardware, and farm equipment.....	-	-	-	-	-	-	-	-	-	-	
Other retail stores.....	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)	(2)	
Wholesale and retail trade not allocable.....	-	-	-	-	-	-	-	-	-	-	
Finance, insurance and real estate ¹	16	16	2,353,942	74,547	16	233	1	13	71,601	38,139	
Banking.....	-	-	-	-	-	-	-	-	-	-	
Credit agencies other than banks ¹	12	12	2,351,123	73,902	12	60	1	13	71,129	37,915	
Holding and other investment companies.....	4	4	2,819	645	4	173	-	-	472	224	
Security and commodity brokers, dealers, exchanges, and services.....	-	-	-	-	-	-	-	-	-	-	
Insurance carriers.....	-	-	-	-	-	-	-	-	-	-	
Insurance agents, brokers, and service.....	-	-	-	-	-	-	-	-	-	-	
Real estate, except lessors of real property other than buildings.....	-	-	-	-	-	-	-	-	-	-	
Lessors of real property, except buildings.....	-	-	-	-	-	-	-	-	-	-	
Services ¹	19	18	508,578	71,385	18	2,627	3	546	71,996	24,268	
Hotels, rooming houses, camps, and other lodging places.....	-	-	-	-	-	-	-	-	-	-	
Personal services.....	-	-	-	-	-	-	-	-	-	-	
Business services.....	13	12	6,628	7,537	12	2,030	-	-	5,507	2,853	
Automobile repair, services, and garages, and other repair services.....	-	-	-	-	-	-	-	-	-	-	
Motion pictures ¹	5	5	501,793	63,775	5	577	3	546	66,436	21,393	
Amusement and recreation services, except motion pictures.....	-	-	-	-	-	-	-	-	-	-	
Other services.....	1	1	157	73	1	20	-	-	53	22	
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	

Footnotes at end of table.

WESTERN HEMISPHERE TRADE CORPORATION RETURNS, 1961

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Table 15.—NUMBER OF RETURNS, TOTAL ASSETS, NET INCOME, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY MAJOR INDUSTRIAL GROUP—Continued

Major industrial group	Returns with net income—Continued												
	Returns with credit claimed for foreign taxes paid												
	Number of returns	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction				Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118			
			Total		Consolidated returns					Number of returns	Taxable income from foreign sources reported on Form 1118		
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)					Total (Thousand dollars)	Dividends Number of returns Amount (Thousand dollars)	
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	
All industrial groups ¹	266	2,429,559	265	210,742	37	157,794	1,712,271	879,246	567,136	234	1,282,913	40	351,341
Agriculture, forestry, and fisheries ¹	1	6,059	1	1,374	1	1,374	5,547	1,336	1,336	-	-	-	-
Mining ¹	31	162,094	31	41,352	9	11,340	114,517	58,407	54,840	30	89,392	3	841
Metal mining ¹	10	119,401	10	31,174	3	2,723	84,762	43,945	41,062	9	52,804	1	1
Bituminous coal and lignite mining.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Crude petroleum and natural gas ¹	20	39,854	20	9,290	5	7,729	27,804	13,454	12,770	20	34,179	2	840
Mining and quarrying of nonmetallic minerals, and anthracite mining ¹	1	2,839	1	888	1	888	1,951	1,008	1,008	1	2,409	-	-
Construction ¹	11	11,214	10	1,378	1	79	6,570	3,399	1,727	9	3,903	1	100
Manufacturing ¹	63	2,044,808	63	149,728	20	144,349	1,457,019	730,777	496,138	62	1,160,023	15	350,317
Beverage industries ¹	2	1,221	2	383	1	171	838	431	315	2	727	-	-
Food and kindred products ¹	2	6,773	2	1,752	1	1,536	5,021	2,597	2,433	1	4,285	-	-
Tobacco manufactures.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Textile mill products.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Apparel and other finished products made from fabrics and similar materials.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Lumber and wood products, except furniture.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper and allied products.....	1	197	1	53	-	-	144	69	69	1	197	-	-
Printing, publishing, and allied industries.....	1	254	1	68	-	-	186	91	91	1	430	1	84
Chemicals and allied products ¹	25	27,408	25	2,849	2	168	22,935	11,555	7,130	25	14,989	2	10,597
Petroleum refining and related industries ¹	9	1,489,494	9	107,570	8	106,213	951,576	501,467	423,684	9	886,906	7	334,912
Rubber and miscellaneous plastics products.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Leather and leather products.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Stone, clay, and glass products.....	1	302	1	81	-	-	221	107	102	1	212	-	-
Primary metal industries ¹	5	485,673	5	36,098	5	36,098	447,281	201,301	59,025	5	243,127	3	2,280
Fabricated metal products (including ordnance), except machinery and transportation equipment.....	12	2,150	12	583	-	-	1,567	731	731	12	1,863	-	-
Machinery, except electrical and transportation equipment ¹	2	238	2	26	1	24	137	66	66	2	388	-	-
Electrical machinery, equipment, and supplies ¹ ...	1	19,421	1	54	1	54	19,204	10,359	489	1	1,795	1	1,045
Transportation equipment, except motor vehicles...	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles and motor vehicle equipment ¹	1	11,209	1	85	1	85	7,568	1,892	1,892	1	4,762	1	1,399
Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Other manufacturing industries.....	1	468	1	126	-	-	341	111	111	1	342	-	-
Transportation, communication, electric, gas, and sanitary services ¹	5	3,497	5	828	1	14	2,304	1,167	866	5	2,708	-	-
Transportation ¹	4	3,317	4	779	1	14	2,172	1,105	829	4	2,576	-	-
Communication.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Electric and gas companies and systems.....	1	180	1	49	-	-	132	62	37	1	132	-	-
Water supply and other sanitary services.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale and retail trade ¹	132	56,086	132	13,261	1	79	42,809	21,785	5,093	108	20,241	20	13
Wholesale trade ¹	128	54,748	128	12,990	1	79	41,743	21,254	4,721	104	19,333	20	13
Groceries and related products.....	(2)	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Electrical goods, hardware, and plumbing and heating equipment and supplies.....	1	482	1	130	-	-	352	177	13	1	78	-	-
Other wholesalers ¹	80	50,309	80	11,799	1	79	38,496	19,712	3,527	76	16,312	10	3
Retail trade.....	4	1,338	4	271	-	-	1,066	531	372	4	908	-	-
Food.....	-	-	-	-	-	-	-	-	-	-	-	-	-
General merchandise.....	1	324	1	87	-	-	236	117	117	1	375	-	-
Apparel and accessories.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture, home furnishings, and equipment.....	1	333	1	1	-	-	332	167	8	1	35	-	-
Automotive dealers and gasoline service stations.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Eating and drinking places.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Building materials, hardware, and farm equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other retail stores.....	(2)	(2)	(2)	(2)	-	-	(2)	(2)	(2)	(2)	(2)	-	-
Wholesale and retail trade not allocable.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance, insurance, and real estate ¹	6	74,489	6	214	1	13	71,562	38,129	317	6	1,053	1	70
Banking.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit agencies other than banks ¹	2	73,844	2	41	1	13	71,090	37,905	201	2	542	1	70
Holding and other investment companies.....	4	645	4	173	-	-	472	224	116	4	511	-	-
Security and commodity brokers, dealers, exchanges, and services.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance carriers.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance agents, brokers, and service.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate, except lessors of real property other than buildings.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Lessors of real property, except buildings.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Services ¹	17	71,312	17	2,607	3	546	71,943	24,246	6,819	(2)	(2)	-	-
Hotels, rooming houses, camps, and other lodging places.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal services.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Business services.....	12	7,537	12	2,030	-	-	5,507	2,853	261	(2)	(2)	-	-
Automobile repair, services, and garages, and other repair services.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Motion pictures ¹	5	63,775	5	577	3	546	66,436	21,393	6,558	(2)	(2)	-	-
Amusement and recreation services, except motion pictures.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-	-	-

Footnotes at end of table.

WESTERN HEMISPHERE TRADE CORPORATION RETURNS, 1961

Table 15.—NUMBER OF RETURNS, TOTAL ASSETS, NET INCOME, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY MAJOR INDUSTRIAL GROUP—Continued

Major industrial group	Returns with net income—Continued									Returns without net income	
	Returns with credit claimed for foreign taxes paid—Continued										
	Returns with supporting statements, Form 1118—Continued										
	Net income	Western Hemisphere trade corporation deduction		Income tax before foreign tax credit	Foreign taxes				Foreign tax credit claimed	Number of returns	Deficit
		Total	Consolidated returns		Total	Paid or accrued	Deemed paid	Carryover			
(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(Thousand dollars)	(33)	(Thousand dollars)	
(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	
All industrial groups ¹	2,311,015	196,026	155,874	837,816	1,242,302	637,758	123,487	481,057	541,564	6	6,009
Agriculture, forestry, and fisheries ¹	-	-	-	-	-	-	-	-	-	-	-
Mining ¹	118,019	29,486	11,340	41,660	162,174	73,756	275	88,143	38,096	1	1,107
Metal mining ¹	75,326	19,308	2,723	27,198	125,818	51,062	-	74,756	24,318	7	-
Bituminous coal and lignite mining.....	-	-	-	-	-	-	-	-	-	-	-
Crude petroleum and natural gas ¹	39,854	9,290	7,729	13,454	28,872	19,987	275	8,610	12,770	1	1,107
Mining and quarrying of nonmetallic minerals, and anthracite mining ¹	2,839	888	888	1,008	7,484	2,707	-	4,777	1,008	-	-
Construction ¹	8,706	1,036	79	2,263	1,172	982	43	147	1,023	-	-
Manufacturing ¹	2,044,006	149,512	144,349	730,478	1,071,231	556,021	123,014	392,196	495,924	2	4,619
Beverage industries ¹	1,221	383	171	431	329	329	-	-	315	-	-
Food and kindred products ¹	5,971	1,536	1,536	2,298	4,845	3,142	-	1,703	2,219	-	-
Tobacco manufactures.....	-	-	-	-	-	-	-	-	-	-	-
Textile mill products.....	-	-	-	-	-	-	-	-	-	-	-
Apparel and other finished products made from fabrics and similar materials.....	-	-	-	-	-	-	-	-	-	-	-
Lumber and wood products, except furniture.....	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures.....	-	-	-	-	-	-	-	-	-	-	-
Paper and allied products.....	197	53	-	69	182	65	-	117	69	-	-
Printing, publishing, and allied industries.....	254	68	-	91	317	155	16	146	91	-	-
Chemicals and allied products ¹	27,408	2,849	168	11,555	9,185	4,903	3,210	1,072	7,130	1	116
Petroleum refining and related industries ¹	1,489,494	107,570	106,213	501,467	925,422	464,129	118,523	342,770	423,684	1	4,503
Rubber and miscellaneous plastics products.....	-	-	-	-	-	-	-	-	-	-	-
Leather and leather products.....	-	-	-	-	-	-	-	-	-	-	-
Stone, clay, and glass products.....	302	81	-	107	102	102	-	-	102	-	-
Primary metal industries ¹	485,673	36,098	36,098	201,301	124,902	79,773	582	44,547	59,025	-	-
Fabricated metal products (including ordnance), except machinery and transportation equipment.....	2,150	583	-	731	1,731	1,191	-	540	731	-	-
Machinery, except electrical and transportation equipment ¹	238	26	24	66	246	117	107	22	66	-	-
Electrical machinery, equipment, and supplies ¹ ...	19,421	54	54	10,359	490	206	281	3	489	-	-
Transportation equipment, except motor vehicles.....	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles and motor vehicle equipment ¹	11,209	85	85	1,892	3,346	1,788	295	1,263	1,892	-	-
Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks.....	-	-	-	-	-	-	-	-	-	-	-
Other manufacturing industries.....	468	126	-	111	134	121	-	13	111	-	-
Transportation, communication, electric, gas, and sanitary services ¹	3,497	828	14	1,167	1,098	978	120	-	866	-	-
Transportation ¹	3,317	779	14	1,105	1,061	941	120	-	829	-	-
Communication.....	-	-	-	-	-	-	-	-	-	-	-
Electric and gas companies and systems.....	180	49	-	62	37	37	-	-	37	-	-
Water supply and other sanitary services.....	-	-	-	-	-	-	-	-	-	-	-
Wholesale and retail trade ¹	54,644	12,889	79	21,232	5,910	5,425	-	485	5,044	2	192
Wholesale trade ¹	53,306	12,618	79	20,701	5,453	4,975	-	478	4,672	2	192
Groceries and related products.....	(2)	(2)	-	(2)	(2)	(2)	-	(2)	(2)	-	-
Electrical goods, hardware, and plumbing and heating equipment and supplies.....	482	130	-	177	13	13	-	-	13	-	-
Other wholesalers ¹	48,887	11,428	79	19,159	3,822	3,665	-	157	3,478	2	192
Retail trade.....	1,338	271	-	531	457	450	-	7	372	-	-
Food.....	-	-	-	-	-	-	-	-	-	-	-
General merchandise.....	324	87	-	117	134	134	-	-	117	-	-
Apparel and accessories.....	-	-	-	-	-	-	-	-	-	-	-
Furniture, home furnishings, and equipment.....	333	1	-	167	8	8	-	-	8	-	-
Automotive dealers and gasoline service stations.....	-	-	-	-	-	-	-	-	-	-	-
Eating and drinking places.....	-	-	-	-	-	-	-	-	-	-	-
Building materials, hardware, and farm equipment	(2)	(2)	-	(2)	(2)	(2)	-	(2)	(2)	-	-
Other retail stores.....	-	-	-	-	-	-	-	-	-	-	-
Wholesale and retail trade not allocable.....	-	-	-	-	-	-	-	-	-	-	-
Finance, insurance, and real estate ¹	74,489	214	13	38,129	319	275	35	9	317	-	-
Banking.....	-	-	-	-	-	-	-	-	-	-	-
Credit agencies other than banks ¹	73,844	41	13	37,905	203	168	35	-	201	-	-
Holding and other investment companies.....	645	173	-	224	116	107	-	9	116	-	-
Security and commodity brokers, dealers, exchanges, and services.....	-	-	-	-	-	-	-	-	-	-	-
Insurance carriers.....	-	-	-	-	-	-	-	-	-	-	-
Insurance agents, brokers, and service.....	-	-	-	-	-	-	-	-	-	-	-
Real estate, except lessors of real property other than buildings.....	-	-	-	-	-	-	-	-	-	-	-
Lessors of real property, except buildings.....	-	-	-	-	-	-	-	-	-	-	-
Services.....	(2)	(2)	-	(2)	(2)	(2)	-	(2)	(2)	(2)	(2)
Hotels, rooming houses, camps, and other lodging places.....	-	-	-	-	-	-	-	-	-	-	-
Personal services.....	(2)	(2)	-	(2)	(2)	(2)	-	(2)	(2)	(2)	(2)
Business services.....	-	-	-	-	-	-	-	-	-	-	-
Automobile repair, services, and garages, and other repair services.....	(2)	(2)	-	(2)	(2)	(2)	-	(2)	(2)	-	-
Motion pictures.....	-	-	-	-	-	-	-	-	-	-	-
Amusement and recreation services, except motion pictures.....	-	-	-	-	-	-	-	-	-	-	-
Other services.....	-	-	-	-	-	-	-	-	-	-	-
Nature of business not allocable.....	-	-	-	-	-	-	-	-	-	-	-

¹Includes consolidated returns where one or more of the affiliated corporations within the group was a Western Hemisphere trade corporation.²Sampling variability of this estimate is too large to warrant showing separately. However, data are included in totals.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

Detail may not add to total due to rounding.

WESTERN HEMISPHERE TRADE CORPORATION RETURNS, 1961

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Table 16.—NUMBER OF RETURNS, TOTAL ASSETS, NET INCOME, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY SIZE OF TOTAL ASSETS

Size of total assets	Total number of Western Hemisphere trade corporation returns	Returns with net income								Income subject to U. S. tax (Thousand dollars)	U. S. income tax (Thousand dollars)
		Number of returns	Total assets (Thousand dollars)	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction						
					Total		Consolidated returns				
					Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
Total ¹	608	602	44,886,879	2,510,206	598	222,336	44	157,915	1,814,746	896,601	
Zero ¹	184	184	6,090	2,104	184	565	1	57	1,515	521	
\$1 under \$25,000.....							-	-			
\$25,000 under \$50,000.....							-	-			
\$50,000 under \$100,000.....							-	-			
\$100,000 under \$250,000.....	95	95	16,072	2,676	95	731	1	1	1,953	655	
\$250,000 under \$500,000.....	57	57	20,474	5,716	57	1,535	1	13	4,182	1,933	
\$500,000 under \$1,000,000.....	93	93	73,505	21,794	93	5,874	1	1	12,862	6,275	
\$1,000,000 under \$2,500,000.....	62	60	98,451	23,118	60	6,216	1	56	16,893	8,381	
\$2,500,000 under \$5,000,000.....	39	38	126,289	28,391	38	7,581	2	254	20,372	10,349	
\$5,000,000 under \$10,000,000.....	24	24	169,512	27,029	24	7,084	3	320	19,769	10,049	
\$10,000,000 under \$25,000,000.....	9	9	135,436	15,185	8	3,209	2	33	11,507	5,743	
\$25,000,000 under \$50,000,000.....	9	8	270,275	45,761	7	11,476	4	5,657	33,012	16,288	
\$50,000,000 under \$100,000,000.....	7	6	395,911	61,356	6	16,236	3	1,560	44,362	23,036	
\$100,000,000 under \$250,000,000.....	8	8	1,332,809	140,051	8	13,013	7	1,147	126,824	53,285	
\$250,000,000 or more ¹	21	20	42,242,055	2,137,025	18	148,816	18	148,816	1,521,495	760,086	

Size of total assets	Returns with net income—Continued												Returns without net income
	Number of returns	Net income (Thousand dollars)	Returns with credit claimed for foreign taxes paid				Income subject to U. S. tax (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118			
			Western Hemisphere trade corporation deduction		Consolidated* returns					Number of returns	Taxable income from foreign sources reported on Form 1118		
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)					Total (Thousand dollars)	Dividends Number of returns	
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	
Total ¹	266	2,429,559	265	210,742	37	157,794	1,772,271	879,246	567,136	234	1,282,913	40	351,341
Zero ¹	(2)	(2)	(2)	(2)	1	57	(2)	(2)	(2)	(2)	-	-	
\$1 under \$25,000.....													
\$25,000 under \$50,000.....													
\$50,000 under \$100,000.....													
\$100,000 under \$250,000.....	31	770	31	204	-	-	565	165	165	31	743	10	10
\$250,000 under \$500,000.....	35	2,395	35	642	-	-	1,754	769	471	35	1,141	10	3
\$500,000 under \$1,000,000.....	34	6,479	34	1,754	-	-	4,727	2,265	960	32	5,623	-	-
\$1,000,000 under \$2,500,000.....	42	18,183	42	4,887	1	56	13,289	6,604	3,139	41	9,185	-	-
\$2,500,000 under \$5,000,000.....	28	21,062	28	5,727	1	171	15,336	7,795	3,142	26	14,188	-	-
\$5,000,000 under \$10,000,000.....	18	18,490	18	4,784	3	320	13,529	6,848	3,165	18	10,129	3	377
\$10,000,000 under \$25,000,000.....	8	14,440	7	3,208	1	32	11,203	5,585	3,593	6	9,454	1	89
\$25,000,000 under \$50,000,000.....	6	44,428	6	11,464	3	5,645	33,012	16,288	11,558	6	29,030	-	-
\$50,000,000 under \$100,000,000.....	4	60,681	4	16,152	2	1,550	44,163	22,938	20,414	4	43,940	-	-
\$100,000,000 under \$250,000,000.....	8	140,051	8	13,013	7	1,147	126,824	53,285	24,353	4	4,177	2	1,145
\$250,000,000 or more ¹	18	2,102,231	18	148,816	18	148,816	1,507,632	756,620	496,104	17	1,154,912	14	349,717

Size of total assets	Returns with net income—Continued										Returns without net income
	Net income (Thousand dollars)	Returns with credit claimed for foreign taxes paid—Continued				Returns with supporting statements, Form 1118—Continued					
		Western Hemisphere trade corporation deduction		U. S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes			Foreign tax credit claimed (Thousand dollars)			
		Total (Thousand dollars)	Consolidated returns (Thousand dollars)		Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)		Carryover (Thousand dollars)		
(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	
Total ¹	2,311,015	196,026	155,874	837,816	1,242,302	637,758	123,487	481,057	541,564	6	6,009
Zero ¹	(2)	(2)	57	(2)	(2)	(2)	-	(2)	(2)	-	-
\$1 under \$25,000.....											
\$25,000 under \$50,000.....											
\$50,000 under \$100,000.....											
\$100,000 under \$250,000.....	770	204	-	165	209	160	-	49	165	-	-
\$250,000 under \$500,000.....	2,395	642	-	769	749	657	-	92	471	-	-
\$500,000 under \$1,000,000.....	6,335	1,707	-	2,222	966	953	-	13	960	-	-
\$1,000,000 under \$2,500,000.....	17,384	4,673	56	6,311	3,408	3,113	-	295	2,926	2	192
\$2,500,000 under \$5,000,000.....	19,784	5,390	171	7,314	4,585	3,710	-	875	3,091	1	116
\$5,000,000 under \$10,000,000.....	18,490	4,784	320	6,848	5,390	3,939	309	1,142	3,165	-	-
\$10,000,000 under \$25,000,000.....	11,931	2,888	32	4,453	3,569	3,335	29	205	2,889	-	-
\$25,000,000 under \$50,000,000.....	44,428	11,464	5,645	16,288	30,804	19,289	-	11,515	11,558	1	91
\$50,000,000 under \$100,000,000.....	60,681	16,152	1,550	22,938	117,634	46,588	-	71,046	20,414	1	1,107
\$100,000,000 under \$250,000,000.....	32,317	601	601	15,143	1,710	1,055	324	331	1,084	-	-
\$250,000,000 or more ¹	2,096,171	147,430	147,442	755,281	1,072,550	554,839	122,825	394,886	494,769	1	4,503

¹Includes consolidated returns where one or more of the affiliated corporations within the group was a Western Hemisphere trade corporation.

²Sampling variability of this estimate is too large to warrant showing separately. However, data are included in totals.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

Detail may not add to total due to rounding.

WESTERN HEMISPHERE TRADE CORPORATION RETURNS, 1961

Table 17.—NUMBER OF RETURNS, TOTAL ASSETS, NET INCOME, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, INCOME SUBJECT TO U. S. TAX, U. S. INCOME TAX BEFORE CREDIT, FOREIGN TAX CREDIT CLAIMED, FOREIGN TAXABLE INCOME, AND FOREIGN TAXES, BY SIZE OF NET INCOME OR DEFICIT

Size of net income or deficit	Returns with net income									U. S. income tax (Thousand dollars)
	Number of returns	Total assets (Thousand dollars)	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction				Income subject to U. S. tax (Thousand dollars)		
				Total		Consolidated returns				
				Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Total ¹	602	44,886,879	2,510,206	598	222,336	44	157,915	1,814,746	896,601	
Under \$5,000.....	85	5,661	143	85	22	-	-	120	23	
\$5,000 under \$10,000 ¹	160	28,673	1,777	160	498	1	1	1,284	386	
\$10,000 under \$15,000.....						-	-			
\$15,000 under \$20,000.....						-	-			
\$20,000 under \$25,000.....						-	-			
\$25,000 under \$50,000 ¹	57	16,827	2,037	57	538	2	14	1,498	490	
\$50,000 under \$100,000.....	63	34,761	4,591	63	1,238	-	-	3,353	1,371	
\$100,000 under \$250,000 ¹	38	70,847	6,979	38	1,851	3	137	5,032	2,402	
\$250,000 under \$500,000 ¹	105	403,844	37,468	105	9,734	5	330	23,502	11,623	
\$500,000 under \$1,000,000 ¹	29	325,992	21,074	28	5,171	4	646	13,993	6,979	
\$1,000,000 under \$5,000,000 ¹	30	281,126	54,513	29	13,497	3	1,206	41,033	20,120	
\$5,000,000 under \$10,000,000 ¹	9	1,322,772	59,922	9	11,125	6	6,124	46,332	20,229	
\$10,000,000 under \$25,000,000 ¹	13	10,384,226	195,893	11	22,104	9	15,665	132,990	62,783	
\$25,000,000 under \$50,000,000 ¹	4	795,865	150,339	4	24,466	2	1,700	128,459	56,420	
\$50,000,000 under \$100,000,000 ¹	3	4,972,778	183,847	3	21,022	3	21,022	158,790	82,081	
\$100,000,000 or more ¹	6	26,243,507	1,791,623	6	111,070	6	111,070	1,258,360	631,694	

Size of net income or deficit	Returns with net income—Continued												U. S. income tax before foreign tax credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118
	Number of returns	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction				Income subject to U. S. tax (Thousand dollars)	Taxable income from foreign sources reported on Form 1118							
			Total		Consolidated returns				Number of returns	Dividends					
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)				Total (Thousand dollars)	Number of returns	Amount (Thousand dollars)			
			(10)	(11)	(12)	(13)				(14)	(15)	(16)			
Total ¹	266	2,429,559	265	210,742	37	157,794	1,772,271	879,246	567,136	234	1,282,913	40	351,341		
Under \$5,000.....	76	883	76	226	-	-	654	183	179	56	965	(2)	(2)		
\$5,000 under \$10,000.....															
\$10,000 under \$15,000.....															
\$15,000 under \$20,000.....															
\$20,000 under \$25,000.....	38	3,090	38	829	3	137	4,233	2,025	1,445	29	4,528	10	3		
\$25,000 under \$50,000.....															
\$50,000 under \$100,000.....															
\$100,000 under \$250,000 ¹															
\$250,000 under \$500,000 ¹	43	14,876	43	3,850	3	308	10,657	5,218	2,608	42	10,524	2	376		
\$500,000 under \$1,000,000 ¹	21	15,700	21	4,286	2	562	11,292	5,609	3,032	20	9,607	1	1		
\$1,000,000 under \$5,000,000 ¹	24	42,296	23	10,208	3	1,206	32,106	15,521	8,193	21	22,398	1	89		
\$5,000,000 under \$10,000,000 ¹	9	59,922	9	11,125	6	6,124	46,332	20,229	12,628	7	26,095	2	162		
\$10,000,000 under \$25,000,000 ¹	11	161,099	11	22,104	9	15,665	119,127	59,317	32,322	10	97,392	5	14,695		
\$25,000,000 under \$50,000,000 ¹	4	150,339	4	24,466	2	1,700	128,459	56,420	37,779	2	37,481	1	41		
\$50,000,000 under \$100,000,000 ¹	3	183,847	3	21,022	3	21,022	158,790	82,081	28,752	3	58,567	2	303		
\$100,000,000 or more ¹	6	1,791,623	6	111,070	6	111,070	1,258,360	631,694	439,624	6	1,013,488	6	335,661		

Size of net income or deficit	Returns with net income—Continued									Returns without net income	
	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction		U. S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes				Foreign tax credit claimed (Thousand dollars)	Number of returns (32)	Deficit (Thousand dollars) (33)
		Total (Thousand dollars)	Consolidated returns (Thousand dollars)		Total (Thousand dollars)	Paid or accrued (Thousand dollars)	Deemed paid (Thousand dollars)	Carryover (Thousand dollars)			
(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	
Total ¹	2,311,015	196,026	155,874	837,816	1,242,302	637,758	123,487	481,057	541,564	6	6,009
Under \$5,000.....	867	226	-	183	928	244	-	684	179	1	1
\$5,000 under \$10,000.....											
\$10,000 under \$15,000.....											
\$15,000 under \$20,000.....											
\$20,000 under \$25,000.....	38	3,090	829	-	949	981	801	180	574	1	91
\$25,000 under \$50,000.....											
\$50,000 under \$100,000.....											
\$100,000 under \$250,000 ¹											
\$250,000 under \$500,000 ¹	14,625	3,782	137	1,977	1,927	1,613	107	207	1,429	2	307
\$500,000 under \$1,000,000 ¹	14,901	4,081	308	5,131	3,607	2,687	82	838	2,585	-	-
\$1,000,000 under \$5,000,000 ¹	38,736	9,590	562	5,322	4,626	3,320	120	1,186	2,818	-	-
\$5,000,000 under \$10,000,000 ¹	44,110	9,350	1,206	13,994	17,192	10,751	29	6,412	7,479	2	5,610
\$10,000,000 under \$25,000,000 ¹	21,588	22,084	4,349	16,432	11,717	9,963	51	1,703	9,026	-	-
\$25,000,000 under \$50,000,000 ¹	71,869	12,475	15,645	49,790	58,642	40,892	4,563	13,187	30,198	-	-
\$50,000,000 under \$100,000,000 ¹	183,847	21,022	30,263	113,494	44,066	44,066	146	44,547	28,752	-	-
\$100,000,000 or more ¹	1,791,623	111,070	82,081	631,694	938,973	477,899	118,389	342,685	439,624	-	-

¹Includes consolidated returns where one or more of the affiliated corporations within the group was a Western Hemisphere trade corporation.²Sampling variability of this estimate is too large to warrant showing separately. However, data are included in totals.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample."

Detail may not add to total due to rounding.

Table 18.—NUMBER OF RETURNS, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT CLAIMED, BY INDUSTRIAL DIVISION, 1954-1956 AND 1959-1961

Industrial division and selected year	Number of Western Hemisphere trade corporation returns	Returns with net income														
		Western Hemisphere trade corporation deduction			U. S. income tax before credit	Returns with foreign tax credit										
		Number of returns	Amount of deduction (Thousand dollars)	Number of returns		Net income (Thousand dollars)	Western Hemisphere trade corporation deduction (Thousand dollars)	U. S. income tax before credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118						
										Number of returns	Taxable income from foreign sources (Thousand dollars)	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
All industrial divisions:																
1954.....	687	587	140,974	1,294,784	278	2,695,414	131,924	1,228,802	300,166	256	626,691	2,376,935	122,138	1,127,529	320,627	269,854
1955.....	668	609	196,393	1,667,544	278	3,505,087	185,898	1,610,651	416,988	248	1,814,101	3,231,581	170,657	1,491,030	441,788	363,631
1956.....	648	566	222,105	1,582,395	289	3,464,333	208,177	1,562,731	458,818	264	873,248	3,198,136	189,586	1,455,320	543,169	407,462
1959.....	759	721	214,163	741,782	251	1,962,330	200,867	697,404	505,563	217	1,019,473	1,889,005	194,606	666,589	677,507	492,624
1960.....	682	666	212,969	695,378	289	1,865,269	203,765	664,039	507,059	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	608	598	222,336	896,601	266	2,429,559	210,742	879,246	567,136	234	1,282,913	2,311,015	196,026	837,816	1,242,302	541,564
Agriculture, forestry, and fisheries:																
1954.....	20	7	8,563	12,067	6	31,658	8,525	11,991	9,346	5	21,848	29,898	8,051	11,334	8,800	8,800
1955.....	4	4	8,198	24,394	3	54,142	8,158	24,343	10,140	2	12,782	2,854	769	1,072	740	740
1956.....	3	3	7,698	22,849	3	50,838	7,698	22,849	9,436	2	933	1,045	282	385	260	236
1959.....	2	2	2,641	8,539	1	18,683	2,630	8,529	4,930	-	-	-	-	-	-	-
1960.....	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1961.....	1	1	1,374	1,336	1	6,059	1,374	1,336	1,336	-	-	-	-	-	-	-
Mining:																
1954.....	30	26	12,172	16,695	25	44,912	12,159	16,682	12,325	23	28,120	34,525	9,346	12,754	10,222	8,640
1955.....	46	42	21,807	30,082	31	80,224	21,724	30,077	27,392	28	171,070	74,273	20,099	27,843	27,287	25,191
1956.....	62	55	27,489	37,866	32	100,460	27,303	37,698	33,240	31	90,010	96,153	26,134	36,072	63,326	31,614
1959.....	41	36	47,826	66,462	34	177,931	47,814	66,452	64,133	34	139,688	177,931	47,814	66,452	127,763	64,133
1960.....	43	39	52,832	78,433	35	216,009	52,764	78,352	72,814	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	42	41	42,498	58,407	31	162,094	41,352	58,407	54,840	30	89,392	118,019	29,486	41,660	162,174	38,096
Construction:																
1954.....	30	23	2,768	5,566	16	14,286	2,529	5,263	2,477	15	9,665	13,505	2,319	4,972	2,579	2,313
1955.....	30	20	1,969	5,577	19	16,927	1,943	5,546	1,917	18	18,108	16,766	1,900	5,490	2,019	1,862
1956.....	28	15	2,035	7,960	14	18,570	1,900	7,775	1,733	13	6,238	18,077	1,767	7,593	1,604	1,585
1959.....	25	14	2,757	11,303	12	23,383	2,115	10,446	2,810	11	8,844	22,743	1,943	10,208	2,670	2,660
1960.....	27	25	1,767	6,823	23	16,839	1,755	6,693	2,051	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	12	11	1,422	3,456	11	11,214	1,378	3,399	1,727	9	3,903	8,706	1,036	2,263	1,172	1,023
Manufacturing:																
1954.....	76	65	92,456	627,967	60	1,441,587	92,400	609,548	250,790	55	502,473	1,160,982	87,262	525,626	277,480	229,275
1955.....	74	67	133,309	814,515	65	1,816,701	133,297	771,191	348,598	58	1,653,259	1,626,162	128,534	689,887	382,819	311,998
1956.....	86	75	149,227	665,064	75	1,642,167	149,159	663,869	383,482	68	700,466	1,466,276	141,125	591,441	444,517	347,194
1959.....	63	55	127,056	520,756	43	1,488,994	126,188	502,807	405,822	36	816,170	1,483,568	124,728	500,787	521,607	404,514
1960.....	65	59	132,286	527,345	57	1,462,456	132,274	508,502	418,037	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	81	77	150,591	735,541	63	2,044,808	149,728	730,777	496,138	62	1,160,023	2,044,006	149,512	730,478	1,071,231	495,924
Transportation, communication, electric, gas, and sanitary services:																
1954.....	15	13	5,547	535,819	11	1,051,390	5,415	535,641	8,513	11	20,749	1,051,390	5,415	535,641	8,638	8,513
1955.....	31	30	6,252	687,716	19	1,344,405	6,218	687,687	9,373	18	128,895	1,343,726	6,035	687,479	13,098	9,227
1956.....	12	9	6,893	730,472	9	1,428,943	6,893	730,472	11,026	7	26,099	1,426,736	6,299	729,704	14,914	10,472
1959.....	14	10	4,358	30,864	8	43,899	4,137	20,740	8,579	7	17,205	43,698	4,083	20,669	11,461	8,540
1960.....	8	6	810	1,592	5	3,170	809	1,115	916	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	8	7	982	1,372	5	3,497	828	1,167	866	5	2,708	3,497	828	1,167	1,098	866
Wholesale and retail trade:																
1954.....	410	348	17,385	65,350	92	47,074	9,293	18,944	8,058	82	23,840	44,494	8,600	18,016	7,686	7,462
1955.....	443	418	22,798	81,000	116	142,760	13,137	68,432	9,973	104	128,836	139,891	12,364	67,411	9,726	8,991
1956.....	381	357	26,301	94,760	104	158,471	12,889	76,817	11,398	93	28,988	155,873	12,188	75,876	12,005	10,584
1959.....	491	483	24,962	42,731	83	68,988	13,633	27,697	9,455	77	18,823	56,151	12,617	21,472	9,577	8,520
1960.....	464	464	22,102	33,340	129	57,714	12,997	21,605	8,114	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	429	427	22,609	34,082	132	56,086	13,261	21,785	5,093	108	20,241	54,644	12,889	21,232	5,910	5,044

Footnote at end of table.

Table 18.—NUMBER OF RETURNS, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT CLAIMED, BY INDUSTRIAL DIVISION, 1954-1956 AND 1959-1961—Continued

Industrial division and selected year	Number of Western Hemisphere trade corporation returns	Returns with net income														
		Western Hemisphere trade corporation deduction		U. S. income tax before credit	Returns with foreign tax credit											
		Number of returns	Amount of deduction (Thousand dollars)		Number of returns	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction (Thousand dollars)	U. S. income tax before credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118						
										Number of returns	Taxable income from foreign sources (Thousand dollars)	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Finance, insurance, and real estate:																
1954.....	3	3	528	728	2	671	180	242	92	2	665	671	180	242	106	92
1955.....	5	5	656	903	4	792	213	283	135	3	1,735	747	201	272	124	125
1956.....	13	2	337	465	1	782	210	292	180	1	782	782	210	292	180	180
1959.....	68	68	801	33,647	22	72,636	588	33,293	779	12	1,527	71,499	279	32,914	520	490
1960.....	14	14	54	33,414	2	71,294	48	33,383	248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	16	16	233	38,139	6	74,489	214	38,129	317	6	1,053	74,489	214	38,129	319	317
Services:																
1954.....	103	102	1,555	30,592	66	63,836	1,423	30,491	8,565	63	19,331	41,470	965	18,944	5,116	4,759
1955.....	25	23	1,404	23,357	21	49,136	1,208	23,092	9,460	17	120,416	27,162	755	11,576	5,975	5,497
1956.....	63	50	2,125	22,959	51	64,102	2,125	22,959	8,323	49	19,732	33,194	1,581	13,957	6,363	5,597
1959.....	55	53	3,762	27,480	43	67,816	3,762	27,440	9,055	40	17,216	33,415	3,142	14,087	3,909	3,767
1960.....	60	59	3,118	14,431	38	37,787	3,118	14,389	4,879	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1961.....	19	18	2,627	24,268	17	71,312	2,607	24,246	6,819	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Nature of business not allocable:																
1954.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1955.....	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1956.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1959.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1960.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1961.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

n.a. - Not available.

¹Revised.²Sampling variability of this estimate is too large to warrant showing separately. However, data are included in totals.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample." The information for each of the years prior to 1961 appears in the Statistics of Income--Corporation Income Tax Returns report for that year.

Detail may not add to total due to rounding.

Table 19.—NUMBER OF RETURNS, WESTERN HEMISPHERE TRADE CORPORATION DEDUCTION, U. S. INCOME TAX BEFORE FOREIGN TAX CREDIT, FOREIGN TAXABLE INCOME, FOREIGN TAXES, AND FOREIGN TAX CREDIT CLAIMED, BY SIZE OF TOTAL ASSETS, 1954-1956 AND 1959-1961

Size of total assets and selected year	Number of Western Hemisphere trade corporation returns	Returns with net income														
		Western Hemisphere trade corporation deduction		U. S. income tax before credit	Returns with foreign tax credit											
		Number of returns	Amount of deduction (Thousand dollars)		Number of returns	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction (Thousand dollars)	U. S. income tax before credit (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)	Returns with supporting statements, Form 1118						
										Number of returns	Taxable income from foreign sources (Thousand dollars)	Net income (Thousand dollars)	Western Hemisphere trade corporation deduction (Thousand dollars)	U. S. income tax before foreign tax credit (Thousand dollars)	Foreign taxes (Thousand dollars)	Foreign tax credit claimed (Thousand dollars)
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total:	687	587	140,974	1,294,784	278	2,695,414	131,924	1,228,802	300,166	256	626,691	2,376,935	122,138	1,127,529	320,627	269,854
1954.....	668	609	196,393	1,667,544	278	3,505,087	185,898	1,610,651	416,988	248	814,101	3,231,581	170,657	1,491,030	441,788	363,631
1955.....	648	566	222,105	1,582,395	289	3,464,333	208,177	1,562,731	458,818	264	873,248	3,198,136	189,586	1,455,320	543,169	407,462
1956.....	759	721	214,163	741,782	251	1,962,330	200,867	697,404	505,563	217	1,019,473	1,889,005	194,606	666,589	677,507	492,624
1959.....	662	666	212,969	695,378	289	1,865,269	203,765	664,039	507,059	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	682	598	222,336	896,601	266	2,429,559	210,742	879,246	567,136	234	1,282,913	2,311,015	196,026	837,816	1,242,302	541,564
1961.....	608	598	222,336	896,601	266	2,429,559	210,742	879,246	567,136	234	1,282,913	2,311,015	196,026	837,816	1,242,302	541,564
Total assets under \$100,000: ²	225	194	1,744	2,048	55	2,770	747	946	749	54	2,372	2,723	734	934	875	738
1954.....	172	142	2,052	2,604	28	4,076	1,098	1,452	684	26	2,893	3,932	1,059	1,408	667	654
1955.....	181	137	1,163	1,268	42	2,307	629	710	336	42	1,614	2,307	629	710	394	336
1956.....	150	146	1,735	2,085	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
1959.....	238	238	1,311	1,250	34	848	236	260	257	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	184	184	565	521	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
1961.....	184	184	565	521	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Total assets \$100,000 under \$1,000,000:	295	251	6,223	7,684	104	11,196	2,992	3,634	2,472	98	7,786	9,943	2,657	3,187	2,683	2,153
1954.....	321	305	7,864	9,706	114	14,919	3,911	4,916	2,854	102	18,361	13,013	3,398	4,259	2,543	2,236
1955.....	273	261	8,022	10,080	110	15,643	4,048	5,190	3,863	101	10,482	14,136	3,641	4,650	3,999	3,413
1956.....	387	376	7,435	9,662	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
1959.....	245	245	5,901	7,519	111	11,941	3,170	3,936	3,328	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	245	245	8,140	8,863	100	9,644	2,600	3,199	1,596	98	7,507	9,500	2,553	3,156	1,924	1,596
1961.....	245	245	8,140	8,863	100	9,644	2,600	3,199	1,596	98	7,507	9,500	2,553	3,156	1,924	1,596
Total assets \$1,000,000 under \$5,000,000:	82	75	11,555	15,895	55	33,470	8,947	12,360	6,583	48	20,678	31,168	8,331	11,523	7,090	6,129
1954.....	91	87	12,078	16,443	67	30,420	8,157	11,022	6,932	59	19,401	27,504	7,362	9,970	6,745	6,059
1955.....	100	95	14,638	19,989	64	30,757	8,119	10,948	6,537	57	18,140	28,493	7,522	10,150	7,239	5,933
1956.....	123	117	14,832	21,073	71	38,544	9,783	13,925	7,615	57	20,543	32,455	8,161	11,708	7,515	6,217
1959.....	111	110	14,890	20,461	77	38,881	10,486	14,261	6,019	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	101	98	13,797	18,730	70	39,245	10,614	14,399	6,281	67	23,373	37,168	10,063	13,625	7,993	6,017
1961.....	101	98	13,797	18,730	70	39,245	10,614	14,399	6,281	67	23,373	37,168	10,063	13,625	7,993	6,017
Total assets \$5,000,000 under \$25,000,000:	43	35	13,330	19,056	31	43,569	11,242	16,134	6,114	29	26,338	41,028	10,558	15,186	5,934	5,404
1954.....	45	41	13,280	20,408	35	49,785	11,618	17,656	7,168	33	30,625	48,772	11,346	17,292	9,268	6,805
1955.....	51	40	15,251	23,262	36	49,205	12,361	18,825	9,875	33	27,997	45,989	11,495	17,648	11,855	8,825
1956.....	46	41	16,461	24,049	35	52,973	13,679	19,712	9,468	31	24,574	49,204	12,665	18,305	12,123	8,463
1959.....	39	36	13,794	20,287	30	49,675	12,871	18,626	9,069	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	33	32	10,293	15,792	26	32,930	7,992	12,433	6,758	24	19,583	30,421	7,672	11,301	8,959	6,054
1961.....	33	32	10,293	15,792	26	32,930	7,992	12,433	6,758	24	19,583	30,421	7,672	11,301	8,959	6,054
Total assets \$25,000,000 under \$100,000,000:	19	14	14,930	31,254	13	75,999	14,804	31,081	19,431	10	38,728	56,141	11,984	22,276	15,423	14,536
1954.....	16	13	22,989	45,487	13	111,023	22,984	45,047	32,925	10	179,113	96,603	21,264	38,387	29,922	29,570
1955.....	21	15	29,346	59,000	16	153,719	29,335	58,262	38,906	13	98,185	123,660	27,755	49,109	65,980	36,238
1956.....	21	16	30,172	52,701	15	134,789	30,165	52,416	40,364	15	88,284	134,789	30,165	52,416	89,713	40,364
1959.....	16	12	29,996	48,241	12	125,709	29,989	47,520	40,688	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	16	13	27,712	39,324	10	105,109	27,616	39,226	31,972	10	72,970	105,109	27,616	39,226	148,438	31,972
1961.....	16	13	27,712	39,324	10	105,109	27,616	39,226	31,972	10	72,970	105,109	27,616	39,226	148,438	31,972
Total assets \$100,000,000 under \$250,000,000:	8	6	3,040	42,577	7	88,063	3,040	42,577	10,438	6	25,667	75,215	2,602	35,919	8,130	7,853
1954.....	6	6	5,036	32,562	6	70,617	5,036	32,562	13,541	5	32,232	56,938	4,631	25,435	11,175	10,710
1955.....	7	5	4,252	29,449	6	67,470	4,252	29,449	11,037	5	29,027	61,152	3,806	27,580	9,720	9,168
1956.....	12	10	16,736	49,802	10	121,388	16,736	49,802	28,986	6	53,451	77,745	16,051	31,520	34,569	23,669
1959.....	13	10	24,259	58,664	10	151,538	24,195	58,664	37,121	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	8	8	13,013	53,285	8	140,051	13,013	53,285	24,353	4	4,177	32,317	601	15,143	1,710	1,084
1961.....	8	8	13,013	53,285	8	140,051	13,013	53,285	24,353	4	4,177	32,317	601	15,143	1,710	1,084
Total assets \$250,000,000 or more:	15	12	90,152	1,176,270	13	2,440,347	90,152	1,122,070	254,379	11	505,122	2,160,717	85,272	1,038,504	280,492	233,041
1954.....	17	15	133,094	1,540,334	15	3,224,247	133,094	1,497,996	352,884	13	1,641,476	2,984,819	121,597	1,394,279	381,468	307,597
1955.....	15	13	149,433	1,439,347	15	3,145,232	149,433	1,439,347	388,264	13	687,803	2,922,399	134,738	1,345,473	443,982	343,549
1956.....	20	15	126,792	582,410	15	1,599,903	126,535	556,395	415,631	14	821,964	1,581,220	123,905	547,866	529,985	410,701
1959.....	20	15	122,818	538,956	15	1,486,677	122,818	520,772	410,577	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1960.....	21	18	148,816	760,086	18	2,102,231	148,816	756,620	496,104	17	1,154,912	2,096,171	147,430	755,281	1,072,550	494,769
1961.....	21	18	148,816	760,086	18	2,102,231	148,816	756,620	496,104	17	1,154,912	2,096,171	147,430	755,281	1,072,550	494,769

n.a. - Not available.

¹Revised.

²Includes returns with zero assets.

³Sampling variability of this estimate is too large to warrant showing separately. However, data are included in totals.

NOTE: See text for explanatory statements and for "Limitations of the Data" and "Description of the Sample." The information for each of the years prior to 1961 appears in the Statistics of Income--Corporation Income Tax Returns report for that year.

Detail may not add to total due to rounding.

***Facsimiles of
Forms and Instructions
Used, 1961***

FORM **1120**U.S. Treasury Department
Internal Revenue Service**U.S. CORPORATION INCOME TAX RETURN—1961**or other taxable year beginning 1961, ending 19....
(PLEASE TYPE OR PRINT)

Name

Number and street

City or town, postal zone number, State

Check if this is a—

A. Sole proprietorship ☐ or
partnership ☐ electing
under sec. 1361 to be
taxed as a corporation.B. Consolidated return. ☐C. Personal Holding Co. ☐

D. Employer Identification No.

E. Business Code No.
(see p. 8 instr.)

F. County in which located.

G. Enter total assets from line 14
Sch. L (see instr. O);
\$**IMPORTANT**—All applicable lines and schedules of this form must be filled in. Where additional space is needed for schedules, attachments must conform to the official form and totals must be entered in the form schedules.**GROSS INCOME**

1. Gross Receipts Less: Returns and allowances
2. Less: Cost of goods sold (Schedule A) and/or operations (attach Schedule)
3. Gross profit
4. Dividends (Schedule C)
5. Interest on obligations of the United States, etc. issued:
(a) Prior to 3-1-41—(1) U.S. savings and Treasury bonds
owned in excess of the principal amount of \$5,000; and
(2) obligations of a U.S. instrumentality.
(b) After 2-28-41, by U.S., any agency or instrumentality.
- | Gross amount of
interest | Less: Amortizable
bond premium |
|-----------------------------|-----------------------------------|
| | |
| | |
| | |
6. Other interest
7. Rents
8. Royalties
9. Net gains (losses) (from separate Schedule D)
10. Other income (attach schedule)
11. TOTAL income, lines 3 to 10, inclusive

DEDUCTIONS

12. Compensation of officers (Schedule E)
13. Salaries and wages (not deducted elsewhere)
14. Repairs (do not include cost of improvements or capital expenditures)
15. Bad debts (Schedule F)
16. Rents
17. Taxes (attach schedule)
18. Interest
19. Contributions or gifts paid (attach schedule) (see instructions for limitation)
20. Losses by fire, storm, shipwreck, or other casualty, or theft (attach schedule)
21. Amortization (attach schedule)
22. Depreciation (Schedule G)
23. Depletion (attach schedule)
24. Advertising
25. Amounts contributed under: (a) Pension, profit-sharing, stock bonus, annuity plans (see instr.) ...
(b) Other employee benefit plans (see instr.)
26. Other deductions (attach schedule)
27. TOTAL deductions in lines 12 to 26, inclusive
28. Taxable income before net operating loss deduction and special deductions (line 11 less line 27) ...
29. Less: (a) Net operating loss deduction (see instructions)
(b) Special deductions (Schedule I)
30. Line 28 less line 29

TAX

31. TOTAL income tax (from line 9, Tax Computation Schedule, page 3)
32. Credits: (a) Tax paid with application for extension of time in which to file ...
(b) Payments and credits on 1961 Declaration of Estimated Tax ...
33. If tax (line 31) is larger than credits (line 32), the balance is TAX DUE. Enter balance here →
34. If tax (line 31) is less than credits (line 32) Enter the OVERPAYMENT here →
35. Enter amount of line 34 you want: Credited on 1962 estimated tax Refunded

I declare under the penalties of perjury that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

**CORPORATE
SEAL**

(Date)

(Signature of officer)

(Title)

(Date)

(Individual or firm signature of preparer)

(Address)

1. Method of inventory valuation—Cost ☐; lower of cost or market ☐; LIFO ☐; other ☐. If other, attach explanation.
2. Was the method of inventory valuation indicated above the same method used for 1960? ☐ Yes ☐ No. If "No" attach explanation.
3. If inventory is valued at lower of cost or market, enter total cost \$..... and total market valuation \$..... of those items valued at market.
4. If closing inventory was taken by physical count, enter date inventory was taken If not at end of year, attach an explanation of how the end of year count was determined.
5. If closing inventory was not taken by a physical count, attach an explanation of how inventory items were counted or measured.

Schedule C.—INCOME FROM DIVIDENDS

1. Name of declaring corporation	2. Domestic corporations taxable under chapter 1, Internal Revenue Code*	3. Certain preferred stock of public utilities taxable under Chapter 1, Internal Revenue Code	4. Foreign corporations	5. Other corporations
Totals				
Total of columns 2, 3, 4, and 5 (Enter here and on line 4, page 1)				

*Except (a) dividends on certain preferred stock of public utilities, which should be entered in column 3; and (b) dividends, which should be entered in column 5, received from China Trade Act corporations, from corporations to which section 931 applies, and from corporations exempt from tax under sections 501 and 521. Include certain dividends received from foreign corporations as described in section 243 (d).

Schedule D.—Separate Schedule D (Form 1120) should be used in reporting sales or exchanges of property. (See Instruction 9).

Schedule E.—COMPENSATION OF OFFICERS. (See page 6 of Instructions)

1. Name and address of officer	2. Official title	3. Time devoted to business	Percent of corporation stock owned		6. Amount of compensation	7. Expense account allowances
			4. Common	5. Preferred		
Total compensation of officers (Enter here and on line 12, page 1)						

Schedule F.—BAD DEBTS. (See Instruction 15)

1. Taxable Year	Amount of notes and accounts receivable outstanding at—		4. Taxable income reported	5. Sales on account	6. Bad debts of corporation if no reserve is carried on books	If corporation carries a reserve	
	2. Beginning of year	3. End of year				7. Gross amount added to reserve	8. Amount charged against reserve
1958							
1959							
1960							
1961							

NOTE: Securities which are capital assets and which became worthless within the taxable year should be reported in separate Schedule D.

Schedule G.—DEPRECIATION. (See Instruction 22 and Schedule H)[illegible]

Schedule H.—SUMMARY OF DEPRECIATION AND AMORTIZATION SCHEDULES

1. Straight line method:		
(a) Assets acquired prior to 1/1/54.		
(b) Assets acquired after 12/31/53.		
2. Declining balance method		
3. Sum of the years-digits method		
4. Based on units of production		
5. Addl. 1st year (Sec. 179)		
6. Other methods		
7. Total depreciation claimed		
8. Emergency facilities		
9. Grain storage facilities		
10. Research or experimental expenditures		
11. Exploration and development expenditures		
12. Organizational expenditures		
13. Trademark and trade name expenditures		
14. Total amortization claimed		

Schedule I.—SPECIAL DEDUCTIONS

1. Partially tax-exempt interest (see Instruction 5)	
2. Dividends-received:	
(a) 85 percent of column 2, Schedule C	
(b) 62.115 percent of column 3, Schedule C	
(c) 85 percent of dividends received from certain foreign corporations	
3. Total dividends-received deductions (sum of lines 2 (a), (b), and (c) but not to exceed 85 percent of the excess of line 28, page 1 over the sum of lines 1 and 5). (See instructions in case of net operating loss or if the corporation is a small business investment company.)	
4. Dividends paid on certain preferred stock of public utilities (see instructions in case of net operating loss)	
5. Western Hemisphere trade corporations (see instructions in case of net operating loss)	
6. Total special deductions (enter here and on line 29(b), page 1)	

TAX COMPUTATION SCHEDULE

1. (a) Line 30, page 1	(b) plus line 1, Schedule I	Enter total here →
2. If amount of line 1 is:		
(a) Not over \$25,000—Enter 30 percent of line 1 (32 percent if a consolidated return)		
(b) Over \$25,000—Enter 52 percent of line 1 (54 percent if a consolidated return)		
Subtract \$5,500, and enter difference		5,500.00
3. Adjustment for partially tax-exempt interest. Enter 30 percent of line 1 (b), but not in excess of 30 percent of line 1		
4. Normal tax and surtax (line 2 less line 3)		
5. Income tax (line 4, or line 22 of separate Schedule D)		
6. Credit allowed a domestic corporation for income taxes paid to a foreign country or United States possession (attach Form 1118)		
7. Balance of income tax (line 5 less line 6)		
8. Tax under section 541 of the Internal Revenue Code (from Schedule 1120 PH)		
9. Total income tax (line 7 plus line 8). Enter here and on line 31, page 1		
H. Date incorporated		
I. Did the corporation at any time during the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation? Yes <input type="checkbox"/> No <input type="checkbox"/>		
Did any corporation, individual, partnership, trust, or association at any time during taxable year own directly or indirectly 50 percent or more of the corporation's voting stock? Yes <input type="checkbox"/> No <input type="checkbox"/>		
If either answer is "Yes," attach separate schedule showing:		
(1) name and address;		
(2) percentage owned;		
(3) date acquired; and		
(4) the District Director's office in which the income tax return of such corporation, individual, partnership, trust, or association for the last taxable year was filed.		
J. Were Forms 1096 and 1099 filed for the calendar year 1961 in connection with:		
Taxable dividends	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Other payments	Yes <input type="checkbox"/> No <input type="checkbox"/>	
K. Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes <input type="checkbox"/> No <input type="checkbox"/>		
If "Yes," see Instruction G(4) and enter amount here		
L. Did you at any time during the year own directly or indirectly any stock of a foreign corporation? Yes <input type="checkbox"/> No <input type="checkbox"/>		
If "Yes," attach statement as required by Instruction K.		
M. Amount of income (or deficit) for: 1958		
1959		
1960		
N. If a cooperative association, check type:		
(1) <input type="checkbox"/> farmers' purchasing or marketing; (2) <input type="checkbox"/> consumers'; or (3) <input type="checkbox"/> other.		
O. Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)		
(1) A hunting lodge <input type="checkbox"/> , working ranch or farm <input type="checkbox"/> , fishing camp <input type="checkbox"/> , resort property <input type="checkbox"/> , pleasure boat or yacht <input type="checkbox"/> , or other similar facility <input type="checkbox"/> ? (Other than where the operation of the facility was the principal business.) Yes <input type="checkbox"/> No <input type="checkbox"/>		
(2) The leasing, renting, or ownership of a hotel room or suite <input type="checkbox"/> , apartment <input type="checkbox"/> , or other dwelling <input type="checkbox"/> , which was used by customers or employees or members of their families? (Other than use by employees while in business travel status.) Yes <input type="checkbox"/> No <input type="checkbox"/>		
(3) The attendance of your employees' families at conventions or business meetings. Yes <input type="checkbox"/> No <input type="checkbox"/>		
(4) Vacations for employees or members of their families? (Other than vacation pay reported on Form W-2.) Yes <input type="checkbox"/> No <input type="checkbox"/>		
P. Refer to page 8 of instructions and state the:		
Principal business activity		
Principal product or service		

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Schedule L.—BALANCE SHEETS (see instructions)

ASSETS	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
1. Cash.....				
2. Govt. obligations: (a) U.S. and instrumentalities; (b) State, subdivisions thereof, etc.....				
3. Notes and accounts receivable..... (a) Less: Reserve for bad debts.....				
4. Inventories: (a) Other than last-in, first-out..... (b) Last-in, first-out.....				
5. Other current assets including short term marketable investments (attach schedule).....				
6. Loans to stockholders.....				
7. Mortgage and real estate loans.....				
8. Other investments (attach schedule).....				
9. Buildings and other fixed depreciable assets..... (a) Less: Accumulated amortization and depreciation.....				
10. Depletable assets..... (a) Less: Accumulated depletion.....				
11. Land (net of any amortization).....				
12. Intangible assets (amortizable only)..... (a) Less: Accumulated amortization.....				
13. Other assets (attach schedule).....				
14. Total assets.....				
LIABILITIES AND CAPITAL				
15. Accounts payable.....				
16. Deposits and withdrawable shares.....				
17. Bonds, notes, and mortgages payable (maturing less than one year from date of balance sheet).....				
18. Other current liabilities (attach schedule).....				
19. Loans from stockholders.....				
20. Bonds, notes, and mortgages payable (maturing one year or more from date of balance sheet).....				
21. Other liabilities (attach schedule).....				
22. Capital stock: (a) Preferred stock..... (b) Common stock.....				
23. Paid-in or capital surplus.....				
24. Surplus reserves (attach schedule).....				
25. Earned surplus and undivided profits.....				
26. Total liabilities and capital.....				

Schedule M.—RECONCILIATION OF TAXABLE INCOME AND ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS

1. Earned surplus and undivided profits at end of preceding taxable year (Schedule L).....		9. Total distributions to stockholders charged to earned surplus during the taxable year: (a) Cash..... (b) Stock of the corporation..... (c) Other property (attach schedule).....	
2. Taxable income before net operating loss deduction and special deductions (line 28, page 1).....		10. Contributions in excess of 5% limitation.....	
3. Nontaxable interest on: (a) Obligations of a State, or a possession of the United States, or any political subdivision of any of the foregoing, or the Dist. of Columbia..... (b) All postal savings bonds.....		11. Federal income and excess profits taxes.....	
4. Other nontaxable income (attach schedule).....		12. Income taxes of foreign countries or United States possessions if claimed as a credit in whole or in part on line 6, page 3 Tax Computation.....	
5. Charges against surplus reserves deducted from income in this return (attach schedule).....		13. Insurance premiums paid on the life of any officer or employee where the corporation is directly or indirectly a beneficiary.....	
6. Adjustments for tax purposes not recorded on books (attach sch.).....		14. Unallowable interest incurred to purchase or carry tax-exempt interest obligations.....	
7. Sundry credits to earned surplus (attach schedule).....		15. Excess of capital losses over capital gains.....	
8. Total of lines 1 to 7.....		16. Additions to surplus reserves (attach schedule).....	
		17. Other unallowable deductions (attach schedule).....	
		18. Adjustments for tax purposes not recorded on books (attach schedule).....	
		19. Sundry debits to earned surplus (attach schedule).....	
		20. Total of lines 9 to 19.....	
		21. Earned surplus and undivided profits at end of the taxable year (Schedule L) (line 8 less line 20).....	

How To Prepare Your 1961 Corporation Income Tax Return ON FORM 1120

(References are to the Internal Revenue Code.)

Note: All foreign corporations, whether resident or nonresident, file Form 1120-F. See General Instruction H.

GENERAL INSTRUCTIONS

A. Corporations required to make a return on Form 1120.—Every domestic corporation not expressly exempt from taxation under chapter 1 (Section 501), whether or not having any taxable income, must file a return. The term "corporation" is defined by the Code to include associations, joint-stock companies, and insurance companies.

Real estate investment trusts under section 856 must file this return.

Partnerships and proprietorships may elect to be taxed as domestic corporations if an election is made not later than 60 days after the close of the taxable year and if certain qualifications are met. (Section 1361.) If the return is filed by a proprietorship or partnership, electing to be taxed as a corporation under section 1361, it must be signed by the proprietor or a partner.

If a receiver, trustee in dissolution, trustee in bankruptcy, or assignee has possession of or holds title to all or substantially all the property or business of a corporation, whether or not the property or business is being operated, he must make a return of income for the corporation in the same manner and form required of other corporations. (Section 6012.)

A mutual savings bank not having capital stock represented by shares; a domestic building and loan association, a domestic savings and loan association, a Federal savings and loan association, substantially all the business of which is confined to making loans to members; and a cooperative bank without capital stock, operated for mutual purposes and without profit, are subject to income tax and must file returns.

B. Period to be covered by return.—Returns shall be filed for the calendar year 1961 or fiscal year beginning in 1961 and ending in 1962. A fiscal year is an accounting period of 12 months ending on the last day of a calendar month other than December, but if a taxpayer has made the election provided in section 441 (f), the term "fiscal year" means an annual period varying from 52 to 53 weeks. If a taxpayer has no annual accounting period, or keeps no books, or has an accounting period which does not qualify as a fiscal year, the return must be filed for the calendar year, except as provided in section 443.

For the procedure to follow in changing an established accounting period, see section 1.442-1 of the Regulations. Form 1128, Application for Change in Accounting Period, may be obtained from your District Director.

C. Accounting methods.—Taxable income shall be computed in accordance with the method of accounting regularly used by the taxpayer in maintaining its books and records. In all cases the method adopted should clearly reflect taxable income. The basic methods of accounting are the "cash receipts and disbursements method" and the "accrual method." Section 446 permits the use of these methods or any other method permitted under the Code or any combination of these methods in accordance with regulations. If a taxpayer engages in more than one trade or business, it may, with respect to each trade or business, use a different method of accounting. Each method must, however, clearly reflect the income of the particular trade or business with which it is used, and separate profit and loss statements for each trade or business must be submitted. Except in those cases where the law specifically permits it, a taxpayer may not change the method of accounting upon the basis of which it has reported its income in prior years (for its income as a whole or with respect to any separate trade or business) without first securing consent. Form 3115, Application for Change in Accounting Method, may be obtained from your District Director.

Cash receipts and disbursements method.—Under this method, a taxpayer includes all items of taxable income (whether cash, property, or services) in the year when it is actually or constructively received and claims as deductible expenses only those expenses actually paid. Income is constructively received when the amount is credited to the taxpayer's account, or set aside for it, and is unconditionally subject to its command. This in-

cludes uncashed checks, bank interest credited, matured bond coupons, and other similar items which can be immediately turned into cash. Do not deduct capital expenditures.

Accrual method.—Under this method income is reported in the year when the taxpayer first has a definite right to income, the amount of which can be ascertained with reasonable accuracy while deductions are taken in the year in which there is first established a specific liability, the amount of which can be ascertained with reasonable accuracy. Where the right to income or the liability for expense is uncertain, or the amount of such income or expense cannot be ascertained with reasonable accuracy, accrual is generally postponed until a determination is possible.

Other methods.—Separate provisions are contained in section 453 for installment method of accounting. For other information on accounting methods, see your District Director.

Rounding off to whole-dollar amounts.—If you wish, the money items on your return and accompanying schedules required by such return may be shown as whole-dollar amounts. This means that you eliminate any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next highest dollar.

D. Filing of return and payment of tax.—Returns of corporations must be filed on or before the 15th day of the third month following the close of the taxable year with the District Director of Internal Revenue for the district in which the corporation's principal place of business or principal office or agency is located. (Section 6072.)

Request for automatic extension of 3 months for filing of return must be made on Form 7004. (Section 6081 (b).)

The balance of tax due as shown on line 33, page 1 of the return, must be paid in full when the return is filed or in two installments, 50 percent on or before the 15th day of the third month and 50 percent on or before the 15th day of the sixth month following the close of the taxable year.

If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand by the District Director. The tax may be paid in cash or by check or money order drawn to the order of "Internal Revenue Service." Cash payment should be made only in person at the District Director's office.

A declaration of estimated tax must be made by every corporation which is subject to income tax under section 11 or 1201 (a), or subchapter L of chapter 1 (relating to insurance companies), if its income tax for the taxable year can reasonably be expected to exceed \$100,000 plus the amount of any estimated credits against tax. (See Form 1120-ES.) In the case of affiliated corporations filing a consolidated return, see consolidated return regulations prescribed under section 1502.

Additional charge for underpayment of estimated tax.—Underpayment of installments of estimated tax will result in additional charges for the period from the due date of each installment until paid, or until the due date for filing the tax return, whichever is the earlier.

The charge with respect to any underpayment of any installment is mandatory and will be made unless an exception specified in section 6655 (d) is applicable.

If you have an underpayment of estimated tax and believe the additional charge should not be asserted due to the applicability of any of the "relief provisions" of section 6655 (d), attach a statement to your return explaining which of the provisions applies to you, showing any necessary computations. If you wish, you may obtain Form 2220 from the nearest Internal Revenue Service office for this purpose.

E. Signature and verification.—The return must be signed either by the president, vice-president, treasurer, assistant treasurer or chief accounting officer, or by any other corporate officer (such as tax officer) who is authorized to sign. A receiver, trustee, or assignee must sign any return which he is required to file on behalf of

Instructions—Form 1120 (1961)

PAGE 2

a corporation. The return must also be signed by any person, firm, or corporation who prepared the taxpayer's return for compensation. If the return is prepared by a firm or corporation, it should be signed in the name of the firm or corporation. This verification is not required if the return is prepared by a regular, full-time employee of the taxpayer.

F. Failure to file, etc.—Substantial additions to the tax are imposed for failing to file a return, for late filing, and for filing a false or fraudulent return.

G-(1). Information at the source.—Every corporation making payments in the course of its trade or business of (1) interest, rents, commissions, or other fixed or determinable income of \$600 or more during the calendar year 1961 to an individual, a partnership, or a fiduciary, or (2) salaries or wages of \$600 or more, shall make returns on Forms 1096 and 1099, except that the making of such returns will not be required with respect to salary or wage payments included on Form W-2, provided copies of withholding statements on Form W-2 are furnished. If a portion of such salary or wage payments was reported on a Withholding Statement (Form W-2), only the remainder must be reported on Form 1099.

Except as stated below, the returns on Forms 1096 and 1099 shall also include dividend payments totaling \$10 or more during the calendar year 1961 to each shareholder who is an individual (citizen or resident of the United States), a resident fiduciary, or a resident partnership any member of which is a citizen or resident. In the case of payments by a building and loan association, a cooperative bank, a homestead association, a credit union, or a savings and loan association, such total shall be \$600 or more. In the case of payments by a corporation described in sections 501 (c) (12), (15), (16), 521 and 522, or in the case of a national farm loan association or a production credit association, such total shall be \$100 or more.

The returns on Forms 1096 and 1099 shall also include (except in the case of insurance companies taxable under Subchapter L and corporations exempt under section 501 (c) (12) or (15)) patronage dividends, rebates, and refunds totaling \$100 or more during the calendar year 1961, whether in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner.

G-(2). Information regarding dissolution or liquidation.—Every corporation shall, within 30 days after the adoption by the corporation of a resolution or plan for the dissolution of the corporation or for the liquidation of the whole or any part of its capital stock, render a correct return on Form 966 setting forth the terms of such resolution or plan.

Every corporation making distributions in liquidation of the whole or any part of its capital stock shall also make returns on Forms 1096 and 1099L, as required by instructions on Form 1096, for the calendar year 1961.

G-(3). Certain transfers of property on or after January 1, 1951.—Under certain circumstances the \$25,000 exemption from surtax and the \$100,000 accumulated earnings credit are not allowed or may be reduced to a lesser figure. Section 1551 provides that if a corporation on or after January 1, 1951, transfers all or part of its property (other than money) to another corporation which was created for the purpose of acquiring such property or which was not actively engaged in business at the time of such acquisition and if after such transfer the transferor corporation or its stockholders, or both, are in control of such transferee corporation during any part of the taxable year of such transferee corporation, the transferee corporation shall not for such taxable year (except as may be otherwise determined under section 269 (b)) be allowed either the \$25,000 exemption from surtax provided in section 11 (c) or the \$100,000 accumulated earnings credit provided in section 535 (c), unless such transferee corporation shall establish by the clear preponderance of the evidence that the securing of such exemption or credit was not a major purpose of such transfer. For the purposes of section 1551, control means the ownership of stock possessing at least 80 percent of the total combined voting power of all classes of stock entitled to vote or at least 80 percent of the total value of shares of all classes of stock of the corporation. Rules are provided in sections 544 and 1551 for determining ownership of stock. For allocation of the surtax exemption and the accumulated earnings credit in certain cases, see section 269 (b).

G-(4). Information regarding renegotiable contracts.—Every corporation which held, during the taxable year, contracts or subcontracts which were subject to the Renegotiation Act of 1951 shall, in answer to question K, page 3, state the actual or, if not accurately determinable, its best estimate of the aggregate gross dollar amount billed during the current taxable year under all contracts and/or subcontracts.

H. Returns of certain corporations. Domestic corporations entitled to benefits of section 931.—Domestic corporations within the possessions of the United States (except the Virgin Islands) may report as gross income only gross income from sources within the United States, provided (a) 80 percent or more of the gross income for the 3-year period immediately preceding the close of the taxable year (or such part thereof as may be applicable) was derived from sources within a possession of the United States, and (b) 50 percent or more of the gross income for such period or such part thereof was derived from the active conduct of a trade or business within a possession of the United States.

Foreign corporations.—Foreign corporations whether or not engaged in trade or business within the United States shall make returns on Form 1120-F of income derived from sources within the United States. (See sections 861 through 864, and 882.)

Information return by a domestic corporation with respect to controlled foreign corporations.—For taxable years beginning after December 31, 1960, every domestic corporation shall make a separate annual information return on Form 2952, in duplicate, with respect to each controlled foreign corporation and each foreign subsidiary. This information required by section 6038 must be furnished even though there are no foreign taxes which would be reduced and must be attached to Form 1120.

Insurance companies.—Life insurance companies subject to tax imposed by section 802 shall make returns on Form 1120L. Mutual insurance companies subject to tax imposed by section 821 shall make returns on Form 1120M. Insurance companies described in section 831, and mutual savings banks described in section 594 and conducting life insurance business, shall make returns on Form 1120. There should be filed with the return a copy of the 1961 annual statement approved by the National Association of Insurance Commissioners which contains the underwriting and investment exhibit.

Regulated investment companies.—If for any given year the investment company satisfies the requirements of section 851 it will be considered a regulated investment company for that year and shall make a return on Form 1120.

Personal holding companies.—Section 541 imposes a tax upon the undistributed personal holding company income (as defined in section 545) of corporations classified as personal holding companies. Every personal holding company must file a schedule 1120PH with its return on Form 1120.

Under the provisions of section 542, a corporation is a "personal holding company" if at least 80 percent of its gross income for the taxable year is personal holding company income as defined in section 543, and if at any time during the last half of the taxable year more than 50 percent in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals. (Sections 541-547.)

Foreign personal holding companies.—Section 551 (a) requires that the undistributed foreign personal holding company income of a foreign personal holding company, as defined in section 552, shall be included as a dividend in the gross income of the United States shareholders in the amount provided by subsection (b). Schedule 1120PH is not required, but information returns on Forms 957 and 958 must be filed by the officers, directors, and certain United States shareholders as provided by section 6035 and the regulations thereunder.

A foreign corporation which is a personal holding company, as defined in section 542 but not within the definition of section 552, is subject to the tax imposed by section 541 on undistributed personal holding company income and must file a schedule 1120PH with its return.

Exempt organizations.—Section 511 imposes a tax upon the income derived from an unrelated trade or business of certain exempt organizations. Every such organization subject to this tax must file a Form 990-T.

Exempt farmers' cooperatives.—Section 522 imposes a tax upon certain cooperatives exempt under section 521. Every such organization subject to tax must file Form 990-C.

Small business corporations.—Corporations which qualify and elect under section 1372 (a) to have their taxable income taxed directly to the shareholders (rather than to the corporation), must file Form 1120-S, instead of Form 1120. To qualify for this treatment, a company must be a domestic corporation which is not a member of an affiliated group (as defined in section 1504) and which does not have (1) more than 10 shareholders; (2) a shareholder (other than an estate) who is not an individual; (3) a shareholder who is a nonresident alien; and (4) more than one class of stock. The election, accompanied by the written consent of all shareholders, must be completed and filed for any calendar year during (a) the first calendar month of such taxable year, or (b) the calendar month preceding such first calendar month. Form 2553 is provided for making the election. c59-16-70718-1

I. Consolidated returns.—Subject to the provisions of sections 1501 through 1552 and the regulations, an affiliated group of corporations may make a consolidated income tax return in lieu of separate returns. The making of a consolidated return shall be upon the condition that all corporations which at any time during the taxable year have been members of the affiliated group consent to all the consolidated return regulations prescribed under section 1502 prior to the last day prescribed by law for the filing of such return. The common parent corporation, when filing a consolidated return, shall attach thereto a schedule showing the names and addresses of all the corporations included in the return. Form 851, Affiliations Schedule, should be obtained from the District Director of Internal Revenue and filed as a part of the return. Each subsidiary must prepare two signed copies of Form 1122 authorizing the making of the return on its behalf. One such form shall be attached to the consolidated return as a part thereof, and the other shall be filed, at or before the time the consolidated return is filed, in the office of the District Director for the subsidiary's district.

Supporting schedules shall be filed with the consolidated return. These schedules shall be prepared in columnar form, one column being provided for each corporation included in the consolidation, showing in detail the items of gross income and deductions and the computation of taxable income; one column for a total of like items before adjustments are made; one column for intercompany eliminations and adjustments; and one column for a total of like items after giving effect to the eliminations and adjustments. The items included in the column for eliminations and adjustments should be symbolized to identify contra items affected, and suitable explanations appended, if necessary. Similar schedules shall also contain in columnar form a reconciliation of surplus for each corporation, together with a reconciliation of the consolidated surplus. A schedule which sets forth the basis of property transferred to or received from an affiliated, subsidiary, or parent corporation must also be attached.

Consolidated balance sheets as of the beginning and close of the taxable year of the group shall accompany the consolidated return in a form similar to that required for reconciliation of surplus.

J. Tax on improperly accumulated earnings.—In order to prevent accumulation of earnings and profits for the purpose of enabling shareholders to avoid the tax on individuals, section 531 provides an additional tax upon the accumulated taxable income of corporations formed or availed of for the purpose of such tax avoidance.

K. Stock ownership in foreign corporations.—In addition to the information to be shown in Schedule C of the return, a corporation owning directly or indirectly any stock of a foreign corporation

must attach a statement showing the name and address of each company and the total number of shares of each class of outstanding stock owned during the taxable year. If the corporation owned 5 percent or more in value of the outstanding stock of a foreign personal holding company, attach a statement setting forth in complete detail the information required by section 551 (d).

L. Balance sheets.—The balance sheets, Schedule L, should agree with the books of account or any differences should be reconciled. The balance sheets for a consolidated return of affiliated corporations should be furnished in accordance with Instruction I. All corporations reporting to the Interstate Commerce Commission or to any National, State, municipal, or other public officer, may submit, in lieu of Schedule L, copies of their balance sheets prescribed by such authorities as at the beginning and end of the taxable year.

Line 11, Schedule L, should show land less any accumulated amortization of the land as an emergency facility under the authority of section 168.

Line 16, Schedule L, should be used by banks, building and loan associations, and other financial institutions to report demand and time deposits of customers, including withdrawable shares, share accounts, and investment certificates.

M. Forms other than prescribed by return.—Banks, insurance companies, and other corporations required to submit substantially similar statements of income and expenses to any National, State, municipal, or other public officer may submit with the return a statement of income and expenses in the form furnished to such officer, in lieu of the information requested in lines 1 to 30, page 1, except that a railroad company may submit with the return a statement on Form 1090. In such cases the taxable income will be reconciled by means of Schedule M with the net profits shown by the income and expense statement submitted, and should be entered as line 30, page 1.

N. Attachments.—Attachments may be used in the preparation of your return and supplemental schedules, provided they contain all of the required information and that summarized totals of the items shown in the attachments are entered on the return and schedules. This does not apply to any tax computation portion of a form or schedule.

O. Total assets.—Enter the total assets as of the end of the taxable year as shown on line 14, Schedule L. In the event there are no assets at the end of the taxable year, show the total assets as of the beginning of the taxable year.

SPECIFIC INSTRUCTIONS (Numbered to correspond with the line numbers on page 1)

2. Cost of goods sold.—If the production, manufacture, purchase, or sale of merchandise is an income-determining factor in the trade or business, inventories of merchandise on hand should be taken at the beginning and end of the taxable year, and may be valued at cost, or at cost or market, whichever is lower, or by any other permissible method.

In addition to any information that may be required to be attached by the questions on page 2 of the form, you are also required to attach a detailed explanation of the method used to establish market valuations. All work sheets and records used for inventory purposes should be retained to support your inventory valuation.

An inventory method once properly adopted is controlling until permission to change is obtained from the Commissioner. Application for permission to change an inventory method shall be made in writing and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to effect a change. In case the inventories reported do not agree with the balance sheet, attach a statement explaining the difference.

A corporation electing to use the last-in, first-out method of valuing inventory provided for in section 472 must file Form 970 with the return for the first year of the election. Thereafter, attach separate schedule showing: (1) a summary of all inventories; (2) with respect to any inventories computed under section 472, the computation of the quantities and cost by acquisition levels.

Cost of operations (where inventories are not an income-determining factor).—If the amount entered on line 2 includes an amount applicable to cost of operations, attach a schedule showing: (1) Salaries and wages; and (2) other costs in detail.

5. Interest on obligations of the United States, etc.—Enter the interest on line 5; and in Schedule L, the amounts of the various

obligations owned. Also enter on line 3, Schedule M, all interest received or accrued during the year on the various obligations listed therein. The net amount of interest reported on line 5 (a) is also allowable as a deduction. See the instructions for Schedule I. The amount of interest received or accrued on obligations issued after February 28, 1941, by the United States or any agency or instrumentality thereof should be entered on line 5 (b). For provisions relating to amortizable bond premiums, see section 171.

For special rules applicable to dealers in securities, with respect to premium attributable to certain tax-exempt securities, see section 75.

Non-interest-bearing obligations issued at a discount.—Taxpayers on the cash basis may elect, as to all non-interest-bearing obligations issued at a discount and redeemable for fixed amounts increasing at stated intervals (for example, United States Savings Bonds), to include the increase in redemption price applicable to the current year. For the year of election the total increase in redemption price of such obligations occurring between the date of acquisition and the end of the year must be included. Attach statement listing obligations owned and computation of the increase. (Section 454.)

6. Other interest.—Enter on line 6, the amount of interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, etc. The term "corporate bonds" includes bonds, debentures, notes, certificates of indebtedness, or other evidences of indebtedness issued by any corporation and bearing interest, with interest coupons or in registered form. For provisions relating to amortizable bond premium, see section 171.

7. Rents.—Enter the gross amount received for the rent of property. Any expenses, including repairs, interest, taxes, and depreciation should be included in the proper lines for deduc-

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tions. In the case of a lease entered into prior to January 1, 1954, if both lessor and lessee are corporations and if under the lease the lessee is obligated to pay any part of the lessor's income tax on the rental payment, this tax is excluded from lessor's gross income and may not be deducted by lessee. (Section 110.)

8. Royalties.—Enter the gross amount received as royalties. If a deduction is claimed for depletion, it must be reported on line 23.

9. Gains and losses from sales or exchanges of capital assets and other property.—The computation of gains and losses from sales or exchanges of capital assets and property other than capital assets should be made on separate Schedule D and filed with Form 1120. Every sale or exchange of property, even though no gain or loss is indicated, must be reported in detail. If for any taxable year the net long-term capital gain exceeds the net short-term capital loss, or in case of only a net long-term capital gain, a computation of the alternative tax should be made on separate Schedule D.

10. Other income.—Enter total amount of other income not reported elsewhere in the return and attach schedule showing details.

14. Repairs.—Enter the cost of incidental repairs, including labor, supplies, and other items, which do not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery, equipment, or for permanent improvements or betterments which increase the value of the property are chargeable to capital account.

15. Bad debts.—Bad debts may be treated in either of two ways—(1) by a deduction from income in respect of debts which become worthless in whole or in part, or (2) by a deduction from income of a reasonable addition to a reserve for bad debts. (Section 166.)

A taxpayer filing a first return of income may select either of the two methods, and that method must be followed for subsequent years, unless permission is granted by the Commissioner to change to the other method. Application for permission to change the method shall be made in writing within 90 days after the beginning of the taxable year for which it is desired to effect the change.

Worthless debts arising from unpaid rents, and similar items of taxable income, will not be allowed as a deduction unless the income such items represent has been included in the return of income for the year for which the bad debt deduction is claimed, or for a previous year.

For treatment of bad debts of a mutual savings bank not having capital stock represented by shares, a domestic building and loan association, and a cooperative bank without capital stock organized and operated for mutual purposes and without profit, see section 593 and the regulations thereunder.

16. Rents.—Enter rent paid or accrued for business property in which the corporation has no equity. With respect to leases entered into prior to January 1, 1954, see instruction No. 7.

17. Taxes.—Enter taxes paid or accrued during the taxable year and attach a schedule showing the type and amount of tax. Do not include Federal income, war-profits, and excess-profits taxes; estate, inheritance, legacy, succession, and gift taxes; foreign or United States possession income taxes if any credit is claimed in line 6 (tax computation); Federal taxes paid on bonds containing a tax-free covenant, nor taxes not imposed upon the taxpayer. See section 164 (d) regarding apportionment of taxes on real property between seller and purchaser.

18. Interest.—Enter interest paid or accrued on business indebtedness. Do not include interest on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest on which is wholly exempt from income tax. (Section 265.)

See section 267 for limitation on deductions for unpaid expenses and interest in the case of transactions between related taxpayers.

19. Contributions or gifts paid.—Enter contributions or gifts actually paid within the taxable year to or for the use of (1) a State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia for exclusively public purposes; (2) a corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States, or of any State, or of the District of Columbia, or of any possession of the United States, organized and operated exclusively for religious, charitable,

scientific, literary, or educational purposes or the prevention of cruelty to children or animals (but in the case of contributions or gifts to a trust, chest, fund, or foundation only if such contributions or gifts are to be used within the United States or any of its possessions exclusively for such purposes), no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; (3) posts or organizations of war veterans, or auxiliary units of, or trusts or foundations for, any such posts or organizations, if such posts, organizations, units, trusts, or foundations are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or (4) nonprofit cemetery or burial companies. The amount claimed shall not exceed 5 percent of the corporation's taxable income computed without regard to (1) this deduction, (2) the "special deductions" in line 29 (b), and (3) any net operating loss carryback to the taxable year under section 172.

In the case of a corporation on the accrual basis, any contribution or gift will, at the election of the taxpayer made at the time the return is filed, be considered as paid during the taxable year if payment is actually made on or before the fifteenth day of the third month following the close of the taxable year, and if the contribution or gift has during the taxable year been authorized by the board of directors of the corporation. A copy of such authorization must be attached to the return.

Do not deduct as a business expense charitable contributions which come within the above description, but which are unallowable in whole or in part because of the limitation contained in section 170. (Section 162 (b).)

Any contributions paid during the taxable year in excess of the amount deductible may be carried over and deducted in the two succeeding taxable years subject to the 5 percent limitation provided in section 170 (b) (2). In a taxable year to which there is a net operating loss carryover and charitable contributions in excess of the amount deductible (or a charitable contribution carryover from a preceding taxable year), see section 170 (b) (3).

Attach a schedule showing the name and address of each organization and the amount paid. If there is included a contribution carryover, show the amount and how the carryover was determined.

20. Losses by fire, storm, shipwreck, or other casualty, or theft.—Enter losses sustained during the year, arising from fire, storm, shipwreck, or other casualty. For determination of the amount deductible, see section 165 (b). Theft losses are deductible only in the year in which discovered.

21. Amortization.—If a deduction is claimed on account of amortization, attach a schedule showing: (1) A description of the facilities or expenditures being amortized; (2) date acquired, completed, or expended; (3) amount being amortized; (4) amortization deducted in prior years; (5) amortization period (number of months); (6) amortization for this year; and (7) the total amount of amortization less the amount claimed in Schedule A and elsewhere on the return. A summary of the total amortization for each facility or expenditure must be shown in Schedule H.

The law makes special provisions for amortization of the following kinds of assets and expenditures:

- (a) *Emergency facilities.*—Section 168;
- (b) *Grain storage facilities.*—Section 169;
- (c) *Research and experimental expenditures.*—Section 174;
- (d) *Exploration expenditures.*—Section 615;
- (e) *Development expenditures.*—Section 616;
- (f) *Organizational expenses.*—Section 248; and
- (g) *Trade-mark and trade-name expenditures.*—Section 177.

For details concerning the information which must be furnished in the statements of election required by these sections, consult your District Director.

22. Depreciation.—If a deduction is claimed on account of depreciation, fill in Schedule G. A reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in the trade or business or of property held by the taxpayer for the production of income shall be allowed as a depreciation deduction. (Section 167.) The allowance does not apply to inventories or stock-in-trade nor to land apart from the improvements or physical developments added to it. Depreciation on leasehold improvements, patents and copyrights shall be included in Schedule G.

The useful life of an asset can be measured in units of production, etc., but the ordinary practice is to measure useful life in years. Business experience, engineering information, and other relevant factors provide a reasonable basis for estimating the useful

life of property. The cost or other basis (see section 1012) to be recovered should be charged off over the expected life of the property to the taxpayer. For guidance, comprehensive tables of "average useful lives" of various kinds of buildings, machines, and equipment in many industries and businesses have been published in a booklet called Bulletin F, which may be purchased for 30 cents from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. A brief description of the various methods of depreciation follows:

(a) *Straight line method.*—The most common method of computing depreciation is the "straight line" method. It allows for the recovery of cost in equal annual amounts over the estimated useful life of the property, with only salvage value remaining at the end of its useful life. To compute the deduction, add the cost of improvements to the cost (or other basis) of the asset and deduct both the estimated salvage value and the total depreciation allowed or allowable in past years. Divide the result by the number of years of useful life remaining to the asset—the quotient is the depreciation deduction.

(b) *Declining balance method.*—Under this method a uniform rate is applied each year to the remaining cost or other basis of property (without adjustment for salvage value) determined at the beginning of such year. While salvage is not taken into account in determining the annual allowances under this method, in no event shall an asset be depreciated below salvage value. For property acquired before January 1, 1954, or used property whenever acquired, the rate of depreciation under this method may not exceed one and one-half times the applicable straight-line rate.

(c) *Special rules for new assets acquired after December 31, 1953.*—The cost or other basis of an asset acquired after December 31, 1953, may be depreciated under methods proper in the past; or, it may be depreciated under any of the following methods provided (1) that the asset is tangible, (2) that it has an estimated useful life of three years or more to the taxpayer, and (3) that the original use of the asset commenced with the taxpayer and commenced after December 31, 1953. If an asset is constructed, reconstructed, or erected by the taxpayer, so much of the basis of the asset as is attributable to construction, reconstruction, or erection after December 31, 1953, may be depreciated under methods proper in the past; or, it may be depreciated under any of the following methods provided that the asset meets qualifications (1) and (2) above.

(1) *Declining balance method.*—This method may be used with a rate not in excess of twice the applicable straight-line rate.

(2) *Sum of the years-digit method.*—Under this method annual allowances for depreciation are computed by applying changing fractions to the taxpayer's cost or other basis of property (reduced by estimated salvage).

The deduction for each year is computed by multiplying the cost or other basis of the asset (reduced by estimated salvage value) by the number of years of useful life remaining (including the year for which the deduction is computed) and dividing the product by the sum of all the digits corresponding to the years of the estimated useful life of the asset. In the case of a 5-year life this sum would be 15 or (5+4+3+2+1). For the first year five-fifteenths of the cost reduced by estimated salvage value would be allowable, for the second year four-fifteenths, etc.

(3) *Other methods.*—A taxpayer may use any consistent method which does not result in accumulated allowances at the end of any year greater than the total of the accumulated allowances which would have resulted from the use of the declining balance method. This limitation applies only during the first two-thirds of the useful life of the property.

(d) *Section 179—Additional first-year depreciation allowance.*—Corporations may elect to write off 20 percent of the cost of tangible personal property, but only to the extent of an aggregate cost of \$10,000, for the first taxable year for which a deduction is allowable under section 167. The cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property. This additional depreciation is limited to property acquired after December 31, 1957, with a remaining useful life of 6 years or more and which is not acquired from an affiliated corporation (as defined in section 1504, except that "more than 50 percent" stock ownership is substituted for "at least 80 percent" wherever it appears in section 1504(a)). All members of the affiliated group will be treated as one taxpayer, and the \$10,000 limitation will be apportioned among the members in the manner prescribed by regulations. Further, for this allowance to apply in any case, the basis of the property must not be determined in whole or in part by reference to the transferor's

basis. Depreciation on the remaining cost of the property may be taken under any of the methods indicated above. The additional first-year depreciation of an asset should be shown on a separate line of the depreciation schedule rather than included on the line used to show the regular depreciation of the asset.

A summary of the total depreciation for each method must be shown in Schedule H.

23. *Depletion.*—If a deduction is claimed on account of depletion, procure from the District Director: Form M (mines and other natural deposits), Form O (oil and gas), or Form T (timber), fill in and file with return. If complete valuation data have been filed with questionnaire in previous years, then file with your return information necessary to bring your depletion schedule up to date, setting forth in full statement of all transactions bearing on deductions from or additions to value of physical assets during the taxable year with explanation of how depletion deduction for the taxable year has been determined. (Sections 611, 612, and 613.) Expenditures to be deferred and deducted ratably under the election provided in sections 616 (b), relating to certain expenditures in the development of mines, and 615 (b), relating to deductions for mine exploration, are not to be taken into account in determining the adjusted basis for property for the purpose of computing a deduction for depletion under section 611.

For details concerning the information which must be furnished in the election to aggregate separate operating mineral interests under section 614(b), consult your District Director.

24. *Advertising.*—Enter the total amount paid or incurred during the year for advertising. Expenditures for advertising, to be deductible, must be ordinary and necessary and bear a reasonable relation to the business activities in which the corporation is engaged.

25. *Note:* File Form 2950 to report the information required in (a) below for years other than the first year a deduction is claimed. The Form 2950 may be obtained from your District Director.

(a) *Pension, profit-sharing, stock bonus, annuity plans.*—Enter on line 25 (a) the total amount deductible under section 404. A corporation claiming a deduction under section 404 must submit with its return, in addition to the information specified in the regulations concerning such deduction, a statement with respect to each plan showing the type of plan, i. e., pension, profit-sharing, stock bonus, annuity, or other plan deferring the receipt of compensation, whether or not the plan is qualified under section 401 (a), and if trustee, whether or not the trust is exempt under section 501 (a), and the method of funding, i. e., individual annuity or insurance contracts, group annuity contract, group permanent contract, or self-insured trust. If not funded, so indicate. Contributions paid by an employer to or under a pension, profit-sharing, stock bonus, annuity plan or compensation paid or accrued on account of any employee under a plan deferring the receipt of such compensation, are deductible only under section 404, and are not deductible under section 162.

(b) *Other employee benefit plans.*—Enter on line 25 (b) deductions for contributions to employee benefit plans other than those claimed on line 25 (a), such as insurance, health, or welfare plans. Submit with the return a schedule for each plan showing (1) the nature of benefits, i. e., group term life insurance, group permanent life insurance, noninsured death benefit, hospitalization, surgical, medical, sickness, accident, major medical expense, unemployment benefit, or other welfare benefits; (2) method of financing, i. e., insured, industry or areawide fund, self-insured fund, or direct benefit payments; (3) the amount of deduction; (4) the amount of employee contributions; (5) the number of employees covered; and (6) if a self-insured plan, the amount of benefits paid during the taxable year. Also show the number of employees employed by the corporation.

26. *Other deductions authorized by law.*—Enter any other authorized deductions for which no space is provided on the return. Any deduction claimed should be explained in an attached schedule.

No deduction is allowable for the amount of any item or part thereof allocable to a class of exempt income other than interest. For nonallowance of interest on indebtedness incurred or continued to purchase or carry tax-exempt securities, see instruction 18. Items directly attributable to wholly exempt income shall be allocated thereto, and items directly attributable to any class of taxable income shall be allocated to such taxable income. If an item is indirectly attributable both to taxable income and exempt income, a reasonable proportion thereof, determined in the light of all the facts and circumstances in each case, shall be allocated to each. A taxpayer receiving any such exempt income, or hold-

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ing any property or engaging in any activity the income from which is exempt shall submit with its return as a part thereof an itemized statement, in detail, showing (1) the amount of each class of exempt income, and (2) the amount of expense items allocated to each such class (the amount allocated by apportionment being shown separately).

In the case of mutual savings banks, cooperative banks, and domestic building and loan associations, any amounts paid or credited to the accounts of depositors or holders of accounts as dividends on their deposits or withdrawable accounts, if such amounts may be withdrawn on demand subject only to customary notice of intention to withdraw, are allowable deductions in computing taxable income. (Section 591.)

Under section 592 a special deduction in computing taxable income is allowed a mutual savings bank not having capital stock represented by shares, a domestic building and loan association, or a cooperative bank without capital stock organized and operated for mutual purposes and without profit, for repayment during the taxable year of loans made before September 1, 1951, by the United States or its wholly owned agencies, or by a mutual fund established under the authority of State law.

29. (a) Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the taxable year. (Section 172 (a).) A net operating loss may be carried back 3 years and carried over 5 years. The net operating loss must first be carried to the earliest of the 8 taxable years to which it may be carried, then to the next earliest year, etc. The portion of such loss which shall be carried to each of the other 7 taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. (Section 172 (b).)

The term "net operating loss" means the excess of allowable deductions over gross income, computed with the following modifications:

- (a) No net operating loss deduction is allowed.
- (b) The special deductions provided in section 242 (partially tax-exempt interest) and section 922 (Western Hemisphere trade corporations) are not allowed.
- (c) The special deductions allowed by section 243 (dividends received by corporations), section 244 (dividends received on certain preferred stock of public utilities), and section 245 (dividends received from certain foreign corporations) are computed without

regard to the 85-percent limitation provided in section 246 (b). See section 1.172-2 of the regulations.

(d) The special deduction allowed by section 247 (dividends paid on certain preferred stock of public utilities) is computed without regard to the provisions of subsection (a) (1) (B) of such section. (Section 172 (d).)

As stated, the net operating loss deduction is the sum of the carryovers and carrybacks. However, the following modifications must be taken into account in determining the taxable income for any year which must be subtracted from a net operating loss to determine the portion of such loss which will still be available to carry to a subsequent year:

(a) The special deductions provided in sections 242 (partially tax-exempt interest) and 922 (Western Hemisphere trade corporations) are not allowed.

(b) The amount of the net operating loss deduction is determined without regard to the net operating loss for the loss year or any taxable year thereafter.

If the corporation desires prompt adjustment for an overpayment attributable to a net operating loss carryback, an application for a tentative adjustment should be filed on Form 1139 within 12 months after the close of the taxable year in which the net operating loss is sustained. (Section 6411.)

For treatment of net operating loss carryovers in certain corporate acquisitions, see section 381.

For special limitation on net operating loss carryovers in case of a corporate change of ownership, see section 382.

Sections 852 (b) (2) and 857 (b) (2) provide that no net operating loss deduction shall be allowed in the case of a regulated investment company or a real estate investment trust.

Attach a schedule showing your computation.

29. (b) Special deductions.—See the instructions for Schedule I.

32. Credits.—Enter all payments and credits except the credit allowed for income taxes paid to a foreign country or U.S. possession (line 6, Tax Computation Schedule). (a) Where the amount entered on this line includes an amount of tax paid with application for extension in which to file, the duplicate copy of Form 7004 must be attached. (b) If the amount includes a credit for taxes paid by a regulated investment company on undistributed capital gains, attach Copy B of Form 2439.

35. If you elect to have all or part of the overpayment applied to your estimated tax, no interest shall be allowed on such portion of the overpayment credited.

EXPENSE ACCOUNT ALLOWANCES—SCHEDULE E, COLUMN 7

Expense account allowance means: (1) amounts, other than compensation, received as advances or reimbursements, and (2) amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer including all amounts charged through any type of credit card.

However, this term does not include amounts paid for: (a) the purchase of goods for resale or use in your business; (b) incidental expenses, such as the purchase of office supplies for the corporation or local transportation in connection with an errand; and (c) such fringe benefits as hospitalization insurance, approved pension trust funds and unemployment insurance.

Column 7 of Schedule E is to be completed for your 25 highest

paid officers. To determine the highest paid officers for this purpose all allowances including expense account allowances as described above must be added to each officer's compensation. Column 7 need not be completed for any officer for which the combined amount is less than \$10,000.

The information is to be submitted by each member of an affiliated group which files a consolidated return.

For this purpose an officer is a person who is elected or appointed to office or who is designated as such in the corporation's charter or bylaws such as regular officers, chairman of the board, etc.

SCHEDULE I—SPECIAL DEDUCTIONS

1. Partially tax-exempt interest.—Enter the amount received as interest on obligations of the United States or on obligations of corporations organized under Act of Congress which are instrumentalities of the United States, but only if (1) such interest is included in gross income; and (2) such interest is exempt from normal tax under the Act authorizing the issuance of such obligations. This deduction must be reduced by any amortizable bond premium as provided in section 171.

2. Dividends-received deductions.—(a) *Dividends received from a domestic corporation.*—Enter an amount equal to 85 percent of the amount received as dividends (except dividends on certain preferred stock of public utilities) from a domestic corporation subject to income tax. Amounts received as dividends from mutual savings banks, cooperative banks, and domestic building and loan associations and allowed as a deduction to such banks or building and loan associations shall not be treated as dividends. In the case of dividends received from a regulated investment company, see section 854 regarding limitations on amount deductible. Any dividend received from a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under sections 856-858 shall not be treated as a dividend. For taxable years beginning after September 2, 1958, a small business investment company operating under the Small

Business Investment Act of 1958 can take as a deduction an amount equal to 100 percent of the dividends received.

(b) *Dividends received on certain preferred stock of public utilities.*—Enter 62.115 percent of the amount received as dividends on the preferred stock of a public utility which is subject to income tax and is allowed a deduction, as provided in section 247, for dividends paid.

(c) *Dividends received from certain foreign corporations.*—Enter 85 percent of dividends received from certain foreign corporations. See sections 243 (d) and 245 for qualifications and limitations on the amount of this deduction.

In general, no dividend-received deduction will be allowed on any share of stock (A) which is sold or otherwise disposed of in any case in which the corporation has held such share for 15 days or less, or (B) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or securities. Where the stock has preference in dividends, the holding period is 90 days instead of 15 if the corporation receives dividends with respect to such stock which are attributable to a period or periods aggregating in excess of 366 days.

3. Total dividends-received deductions.—In a year in which a net operating loss occurs, sections 172 (d) and 246 (b) provide that the 85-percent limitation on the amount of these special

deductions shall not apply. In the case of a small business investment company, the dividends-received deduction of 100 percent reported on line 3 is not subject to the overall 85-percent limitation.

4. Deduction for dividends paid on certain preferred stock of public utilities.—In the case of a public utility there is allowed in accordance with section 247, an amount equal to 26.923 percent of the lesser of (1) the amount of dividends paid on its preferred stock during the taxable year, or (2) the taxable income for the taxable year computed without regard to the deduction pro-

vided in section 247. In a year in which a net operating loss occurs, section 172 (d) provides that this special deduction shall be computed without regard to section 247 (a) (1) (B).

5. Deductions for Western Hemisphere trade corporations.—In the case of a Western Hemisphere trade corporation, as defined in section 921, there is allowed under section 922 a deduction equal to 26.923 percent of the taxable income of such corporation computed without regard to the deduction provided in section 922. Under the provisions of section 172 (d), this special deduction is not allowed in a year in which a net operating loss occurs.

TAX COMPUTATION INSTRUCTIONS

1. Normal tax.—Section 11 provides a normal tax for taxable years beginning before July 1, 1962, equal to 30 percent of taxable income. In the case of a taxable year beginning after June 30, 1962, the normal tax is equal to 25 percent of taxable income.

2. Surtax.—Section 11 provides a surtax equal to 22 percent of the amount by which the taxable income (computed without regard to the deduction, if any, provided in section 242 for partially tax-exempt interest) exceeds \$25,000.

3. Exceptions.—The tax imposed by section 11 shall not apply to a corporation subject to a tax imposed by—(1) section 594 (relating to mutual savings banks conducting life insurance business), (2) subchapter L (section 801 and following, relating to insurance companies), (3) subchapter M (section 851 and following, relating to regulated investment companies), or (4) section 881 (a) (relating to foreign corporations not engaged in business in United States).

4. Change in accounting period.—Under the provisions of section 443 (b) (1) if a corporation changes its accounting period, the taxable income for the short period beginning on the day after the close of the former taxable year and ending at the close of the day before the day designated as the first day of the new taxable year shall be placed on an annual basis by multiplying the amount thereof by 12 and dividing by the number of months in the short period. The tax shall be that same part of the tax computed on the annual basis which the number of months in the short period is of 12 months.

However, taxpayers may elect to compute the tax for the short period according to the method described below if an application to do so is filed not later than the date when (giving effect to any extensions granted) the return for the first full taxable year after the beginning of the short period must be filed. (Section 443 (b) (2).) For details concerning the form and content of such an application, consult your District Director.

If a proper application is filed, the taxpayer may elect to pay whichever tax under the following two methods is greater, in place of the short period tax under section 443 (b) (1): (1) Establish the actual taxable income for the 12 months beginning with the first day of the short period; then compute the tax on that income. Then determine as a short period tax that part of the tax so computed which bears the same proportion to the total tax so computed as the taxable income of the short period bears to the taxable income of the 12 months. However, a taxpayer which distributes substantially all its assets before the end of the 12-month period described above, shall employ in the above computation the 12-month period ending with the last day of the short period. (2) Compute a tax on the taxable income of the short period as if the short period were a full taxable year.

In annualizing income of a short period consisting of 7 days or more, but less than 359 days, by reason of a change to a 52-53-week fiscal year, the annualization is made on a daily basis as provided in section 441 (f) (2) (B) (iii).

5. Consolidated returns.—Section 1503 provides that the tax imposed under section 11 (c) or section 831 shall be increased for any taxable year for which an affiliated group of includible corporations makes or is required to make a consolidated return by 2 percent of the consolidated taxable income (computed without regard to the deduction, if any, provided in section 242 for partially tax-exempt interest). If the affiliated group includes one or more Western Hemisphere trade corporations or one or more regulated public utilities, the increase of 2 percent shall be applied only on the amount by which the consolidated taxable income of the affiliated group exceeds the portion (if any) of

the consolidated taxable income attributable to the Western Hemisphere trade corporations and regulated public utilities included in such group.

6. Insurance companies other than life or mutual.—All insurance companies (other than life or mutual insurance companies), including mutual marine insurance companies and mutual fire insurance companies exclusively issuing either perpetual policies or policies for which the sole premium charged is a single deposit, are subject to the taxes imposed by section 11. The taxable income of such insurance companies is defined in section 832 and differs from the taxable income of other corporations. This paragraph does not apply to foreign insurance companies not carrying on an insurance business within the United States. (Section 831.)

7. Life insurance departments of mutual savings banks.—A mutual savings bank not having capital stock represented by shares, authorized under State law to conduct a life insurance business and which conducts such business in a separate department the accounts of which are maintained separately from the accounts of other departments of the bank is taxable under section 594 provided the life insurance department would, if it were treated as a separate corporation, qualify as a life insurance company under section 801.

The tax consists of the sum of—(1) a partial tax computed under section 11 upon the taxable income of the bank determined without regard to any items of gross income or deductions properly allocable to the business of the life insurance department; and (2) a partial tax upon the taxable income (computed as provided in section 802) of the life insurance department determined without regard to any items of gross income or deductions not properly allocable to such department, at the rates and in the manner provided in subchapter L with respect to life insurance companies.

Tax computation.—For the purpose of computing the first partial tax, a mutual savings bank should use Form 1120, filling in all applicable items (except lines 5 and 7) and schedules. The first partial tax should be computed by using lines 1 to 5. For the purpose of computing the second partial tax Form 1120L should be used. The first partial tax should be added to the second partial tax and the sum thereof entered on line 5 as the total income tax. Subtract from line 5 the sum of any credits on line 6 and enter on line 7 the balance of income tax. Form 1120L properly filled in should be attached to and made a part of Form 1120 and properly identified as an accompanying schedule. However, any Form 1120L so used need not be separately executed under the penalty of perjury.

8. Credit for taxes.—If, in accordance with section 901, a credit is claimed by a domestic corporation on line 6 (Tax Computation), page 3, on account of income, war profits and excess profits taxes paid or accrued to a foreign country or a possession of the United States, Form 1118 should be submitted with the return. In case credit is sought for taxes accrued but not paid, the District Director may require a bond on Form 1117 as a condition precedent to the allowance of the credit. For carryback and carryover of a foreign tax credit, see sections 904 (d) and 904 (e).

See General Instruction H for the requirement of an information return on Form 2952.

9. Regulated investment companies.—For provisions relating to the method of taxation of regulated investment companies, see sections 851 through 855.

10. Real estate investment trusts.—For provisions relating to the method of taxation of real estate investment trusts, see sections 856 through 858.

PAGE 8

PRINCIPAL BUSINESS ACTIVITY

In reporting the "Principal business activity," on page 3, give the one business activity that accounts for the largest percentage of "total receipts." "Total receipts" means gross receipts (line 1), plus all other income (lines 4 through 10). State the broad field of business activity as well as the specific product or service, such as "Mining copper," "Manufacturing cotton broad woven fabric," "Wholesale meat," or "Retail apparel." Where receipts are derived from two or more of the detailed industry groups listed below, show only the one which is the major source of receipts. Use the appropriate group under the heading "FINANCE" if over 50 percent of "total receipts" consists of investment income.

Enter the business group "code number" on page 1 from the following list. Give the code for the specific industry group from which the largest percentage of "total receipts" is derived.

AGRICULTURE, FORESTRY, AND FISHERIES

Code
011 Agriculture, forestry, and fisheries.

MINING

Metal mining:
101 Iron ores.
102 Copper, lead, zinc, gold, silver ores.
109 Other metal mining.
121 Bituminous coal and lignite mining.
Crude petroleum and natural gas:
131 Crude petroleum, natural gas, and natural gas liquids.
138 Oil and gas field services.
Nonmetallic mineral and anthracite mining:
141 Stone, sand, gravel.
149 Other nonmetallic minerals, including anthracite mining.

CONSTRUCTION

151 General building contractors.
152 Highway and street construction and heavy construction.
155 Special trade contractors.

MANUFACTURING

Beverage industries:
191 Soft drinks, carbonated waters, and flavoring extracts and sirups.
192 Malt liquors and malt.
194 Wines, brandy, and brandy spirits.
195 Distilled, rectified, blended liquors.
Food and kindred products:
200 Meat products.
201 Dairy products.
202 Canning and preserving fruits, vegetables, and seafoods.
203 Grain mill products.
204 Bakery products.
205 Sugar.
206 Confectionery and related products.
207 Vegetable oil mills and animal, marine, and edible fats and oils.
208 Other food preparations and kindred products.
211 Tobacco manufactures.
Textile mill products:
220 Yarn and thread mills.
221 Broad woven fabric mills, cotton.
222 Broad woven fabric mills, man-made fiber and silk.
223 Broad woven fabric mills, wool: including dyeing and finishing.
224 Narrow fabrics and other smallwares mills: cotton, wool, silk, and man-made fiber.
225 Knitting mills.
226 Dyeing and finishing textiles, except wool fabrics and knit goods.
227 Floor covering mills.
228 Other textile goods.
Apparel and other finished products made from fabrics and similar materials:
231 Men's, youths', and boys' suits, coats, overcoats, furnishings, work clothing, and allied garments.
233 Women's, misses', children's, and infants' outerwear and undergarments.
237 Hats, caps, and millinery, fur goods, and other apparel and accessories.
238 Other fabricated textile products.
Lumber and wood products, except furniture:
241 Logging camps, logging contractors, and sawmills and planing mills.
243 Millwork, veneer, plywood, and pre-fabricated structural wood products.
249 Wooden containers and other wood products.
Furniture and fixtures:
251 Household furniture.
259 Office, public building, and other furniture and fixtures.
Paper and allied products:
261 Pulp mills.
262 Paper, paperboard, building paper, and building board mills.
265 Paperboard containers and boxes.
269 Converted paper and paperboard products, except containers and boxes.
Printing, publishing, and allied industries:
271 Newspapers: publishing, publishing and printing.

Code
272 Periodicals: publishing, publishing and printing.
273 Books.
275 Commercial printing, manifold business forms, and greeting cards.
278 Other publishing, bookbinding and related industries, and service industries for the printing trade.
Chemicals and allied products:
280 Industrial inorganic and organic chemicals.
281 Plastics materials and synthetic resins, synthetic rubber, synthetic and other man-made fibers, except glass.
282 Drugs.
283 Soap, detergents, and cleaning preparations.
284 Paints, varnishes, lacquers, enamels, and allied products.
285 Perfumes, cosmetics, and other toilet preparations.
286 Agricultural chemicals.
288 Gum and wood chemicals and other chemical products.
Petroleum refining and related industries:
291 Petroleum refining.
299 Paving and roofing materials and other products of petroleum and coal.
Rubber and miscellaneous plastics products:
301 Tires and inner tubes.
306 Rubber footwear, reclaimed rubber, and other fabricated rubber products.
307 Miscellaneous plastics products.
Leather and leather products:
314 Footwear, except rubber.
319 Leather and other leather products.
Stone, clay, and glass products:
321 Flat glass, glass and glassware, pressed or blown, and glass products made of purchased glass.
324 Cement, hydraulic.
325 Structural clay products.
326 Pottery and related products.
327 Concrete, gypsum, and plaster products.
329 Cut stone and stone products and abrasive, asbestos, and other non-metallic mineral products.
Primary metal industries:
331 Blast furnaces, steelworks, and rolling and finishing mills.
332 Iron and steel foundries.
333 Primary and secondary smelting, refining, rolling, drawing, and extruding of nonferrous metals and alloys.
336 Nonferrous foundries.
338 Other primary metal industries.
Fabricated metal products (including ordnance), except machinery and transportation equipment:
340 Metal cans.
341 Cutlery, hand tools, general hardware.
342 Heating apparatus (except electric) and plumbing fixtures.
343 Fabricated structural metal products.
344 Screw machine products, bolts, nuts, screws, rivets and washers.
345 Metal stampings.
346 Coating, engraving, and allied services.
347 Ordinance and accessories.
348 Miscellaneous fabricated wire products and other fabricated metal products.
Machinery, except electrical and transportation equipment:
350 Engines and turbines.
351 Farm machinery and equipment.
352 Construction, mining, and materials handling machinery and equipment.
353 Metalworking machinery and equipment.
354 Special industry machinery, except metalworking machinery.
355 General industrial machinery and equipment.
356 Office, computing, and accounting machines.
357 Service industry machines.
358 Other machinery, except electrical and transportation equipment.
Electrical machinery, equipment, and supplies:
361 Electric transmission and distribution equipment.
362 Electrical industrial apparatus.
363 Household appliances.
364 Electric lighting and wiring equipment.

Code
365 Radio and television receiving sets, except communication types.
366 Communication equipment.
367 Electronic components and accessories.
368 Other electrical machinery, equipment, and supplies.
Transportation equipment, except motor vehicles:
371 Aircraft.
372 Aircraft parts.
373 Ship and boat building and repairing.
374 Railroad equipment.
379 Motorcycles, bicycles, and parts and other transportation equipment.
Motor vehicles and motor vehicle equipment:
381 Motor vehicles, passenger car bodies, truck and bus bodies, truck trailers.
384 Motor vehicle parts, accessories.
Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks:
391 Engineering, laboratory, scientific and research, and measuring and controlling instruments and equipment.
393 Optical instruments and lenses, surgical, medical, and dental instruments and supplies, ophthalmic goods.
396 Photographic equipment and supplies.
397 Watches, clocks, clockwork operated devices, and parts.
Other manufacturing industries:
401 Jewelry, silverware, and plated ware.
402 Costume jewelry and costume novelties, except precious metal.
404 Toys, amusement, sporting and athletic goods.
408 Manufacturing not elsewhere classified.
TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES
Transportation:
411 Railroad transportation.
412 Local and suburban transit.
413 Motor freight transportation and warehousing.
414 Taxicabs, intercity passenger transportation, school busses, and other local and interurban passenger transportation.
415 Pipe line transportation.
416 Water transportation.
417 Transportation by air.
418 Transportation services.
Communication:
421 Telephone communication (wire or radio).
422 Telegraph communication (wire and radio).
423 Radio broadcasting and television.
429 Communication services, not elsewhere classified.
Electric and gas companies and systems:
431 Electric companies and systems and combination companies and systems.
432 Gas companies and systems.
441 Water supply and other sanitary services.

WHOLESALE TRADE

Groceries and related products:
477 Meats and meat products.
479 Poultry and poultry products, fish and seafoods, and other groceries and related products.
Electrical goods, hardware, plumbing, heating equipment and supplies:
486 Electrical goods.
487 Hardware, and plumbing and heating equipment and supplies.
Other wholesalers:
491 Beer, wine, and distilled alcoholic beverages.
492 Dry goods and apparel.
493 Drugs, chemicals, allied products.
494 Lumber and construction materials.
495 Machinery, equipment, and supplies.
496 Motor vehicles and equipment.
497 Farm products—raw materials.
498 Wholesalers, not elsewhere classified.

RETAIL TRADE

521 Food.
General merchandise:
531 Department stores.
532 Mail order houses.

Code
533 Limited price variety stores.
539 Merchandise vending machine operators, direct selling organizations, and other general merchandise stores.
541 Apparel and accessories.
551 Furniture, home furnishings, equipment.
Automotive dealers and gasoline service stations:
561 Motor vehicle dealers.
563 Tires, batteries, accessories; aircraft, marine, and other automotive dealers.
564 Gasoline service stations.
581 Eating and drinking places.
Building materials, hardware, farm equipment:
591 Building materials.
595 Hardware and farm equipment.
Other retail stores:
601 Drug stores and proprietary stores.
602 Liquor stores.
607 Jewelry stores.
608 Secondhand, book, sporting goods, farm supply, fuel and ice dealers, and other retail stores.
FINANCE, INSURANCE, AND REAL ESTATE
Banking:
621 Commercial and stock savings banks, trust companies, and establishments related to banking.
622 Mutual savings banks.
Credit agencies other than banks:
632 Savings and loan associations.
634 Personal credit institutions.
635 Business credit institutions.
638 Other credit agencies.
Holding and other investment companies:
641 Operating holding companies (companies which derived less than 90 percent but more than 50 percent of "total receipts" from investments).
642 Regulated investment companies.
643 Small business investment co., 1958 Act.
644 Real estate investment trusts.
649 Other investment and holding companies (other companies which derived 90 percent or more of "total receipts" from investments).
651 Security and commodity brokers, dealers, exchanges, and services.
Insurance carriers:
661 Life insurance.
662 Mutual insurance, except life or marine, and except mutual fire insurance companies issuing perpetual policies.
669 Other insurance carriers.
671 Insurance agents, brokers, and service.
Real estate:
681 Real estate operators (except developers), and lessors of buildings.
683 Subdividers and developers and operative builders.
684 Agents, brokers, and managers.
685 Title abstract companies.
689 Combinations of real estate, insurance, loans, law offices.
Lessors of real property, except buildings:
692 Mining, oil, and similar properties.
693 Railroad property.
699 Other real property, except buildings.
SERVICES
701 Hotels, camps, other lodging places.
Personal services:
721 Laundries, cleaning and dyeing.
723 Photographic studios, including commercial photography.
729 Beauty, barber, shoe repair, and pressing shops, funeral and other personal services.
Business services:
731 Advertising.
739 Credit reporting and employment agencies, news syndicates, duplicating, mailing, stenographic, building, and other business services.
Automobile and other repair services:
751 Auto repair services and garages.
759 Other repair services.
Motion pictures:
781 Motion picture production, distribution, and service industries.
783 Motion picture theaters.
791 Amusement and recreation services, except motion pictures.
800 Physicians and surgeons.
801 Other services.

FORM 1118 (Rev. December 1961) U.S. Treasury Department Internal Revenue Service		STATEMENT IN SUPPORT OF CREDIT CLAIMED BY DOMESTIC CORPORATION FOR TAXES PAID OR ACCRUED TO FOREIGN COUNTRIES OR POSSESSIONS OF THE UNITED STATES For Calendar Year _____ Or other taxable year beginning _____, 19____, and ending _____, 19____							
NAME _____			ADDRESS (Number and street, city or town, postal zone number, State) _____					EMPLOYER IDENTIFICATION NO. _____	

SCHEDULE A.—If the per-country limitation is elected, fill in columns 1 through 14, line by line; use total line only for column 14. If the overall limitation is elected, fill in columns 1 through 6, line by line including total line; use total line only for columns 7 through 14.

LINE	(1) NAME OF FOREIGN COUNTRY OR U.S. POSSESSION IMPOSING TAX (Use a separate line for each)	(2) CREDIT CLAIMED FOR TAXES		(3) TYPE OF TAX	(4) STATUTE IMPOSING TAX (Title, number, section, etc.)	(5) TAXABLE INCOME (OR LOSS) (Income from sources without the U.S. less allocable deductions)	(6) TAXES PAID OR ACCRUED (Attach receipt or return)		
		Date paid	Date accrued				(a) In foreign currency	(b) Conversion rate	(c) In dollars
A									
B									
C									
D									
E									
F									
G									
H									
I									
J									
K									
L									
M									
TOTAL									

LINE	(7) TAX DEEMED TO HAVE BEEN PAID (From column 11, schedule B)	(8) CARRYBACK OR CARRYOVER (Attach schedule)	(9) TOTAL FOREIGN TAXES (Sum of columns 6c, 7, and 8)	(10) TOTAL U.S. INCOME TAX REPORTED ON FORM 1120	(11) TAXABLE INCOME FROM ALL SOURCES (Reported on Form 1120)	(12) COLUMN (5) DIVIDED BY COLUMN (11)	(13) LIMITATION (Column (10) multiplied by column (12))	(14) CREDIT (Column (13) or column (9) whichever is less)
	A							
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
TOTAL								

71

U. S. GOVERNMENT PRINTING OFFICE : 1961 OF-590046

Instructions for Form 1118

Revised December 1961

(References are to the Internal Revenue Code)

GENERAL INSTRUCTIONS

A. Corporations required to file Form 1118.—Any domestic corporation claiming a credit on Form 1120 for (1) the amount of any income, war profits, and excess profits tax paid or accrued during the taxable year to any foreign country or to any possession of the United States and (2) the taxes deemed to have been paid under section 902 must submit a Form 1118 with its corporation tax return. (Reg. sec. 1.905-2.)

The term "income, war profits, and excess profits taxes" includes a tax imposed by statute or decree by a foreign country or by a possession of the U.S. if (1) such country or possession has in force a general income tax law, (2) the corporation claiming the credit would, in the absence of a specific provision applicable to the corporation, be subject to such general income tax, and (3) such general income tax is not imposed upon the corporation thus subject to such substituted tax. (Reg. sec. 1.903-1(a).)

B. Corporations to whom credit not allowed.—The credit is not allowed to (1) a foreign corporation (882(c)(4)); (2) a China Trade Act corporation (942); (3) a domestic corporation entitled to the benefits of the exemption provided by section 931 for income from possessions of the United States (931(g)); and (4) a regulated investment company which has exercised the election under section 853. (Reg. sec. 1.901-1.)

C. Taxes against which credit not allowed.—The credit for taxes shall be allowed only against the normal tax and surtax for income tax imposed by chapter 1 but shall not be allowed against the following taxes: (1) the tax on accumulated earnings imposed by section 531; (2) the personal holding company tax imposed by section 541; and (3) the additional tax relating to war loss recoveries imposed by section 1333. (Reg. sec. 1.901-1(f).)

D. Deduction denied if credit claimed.—If a corporation elects with respect to any taxable year to claim a credit for taxes to any extent, such election shall apply to income, war profits, and excess profits taxes paid or accrued in such taxable year to all foreign countries and possessions of the United States, and no portion of any such taxes shall be allowed as a deduction from gross income in such taxable year or any succeeding taxable year. (164(b)(6) and Reg. sec. 1.901-1(c).) Such election for any taxable year may be made or changed at any time prior to the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by chapter 1 for such taxable year. (Section 901.)

E. Method of reporting.—All amounts furnished on the form shall be expressed in U.S. dollars except as provided in Schedule A, column 6(a). In all instances where it is necessary to convert from foreign currency attach a statement describing in reasonable detail why and how the particular rate was determined.

F. Taxes of foreign corporation.—(a) **Domestic corporation owning stock of a foreign corporation.**—In the case of a domestic corporation owning at least 10 percent of the voting stock of a foreign corporation from which it receives dividends in any taxable year, a proportionate amount of the taxes paid or accrued by such foreign corporation are deemed to have been paid by the domestic corporation for purposes of the foreign tax credit. (Section 902(a).) For computation of taxes deemed paid by the domestic corporation, see Schedule B.

(b) **Foreign corporation owning stock of another foreign corporation.**—If any foreign corporation in (a) above owns 50 percent or more of the voting stock of another foreign corporation from which it receives dividends in any taxable year, it shall be deemed to have paid a proportionate amount of the foreign taxes of such foreign subsidiary. (Section 902(b).) For computation of taxes deemed paid by a related foreign corporation, see Schedule C.

(c) **Source of income of foreign subsidiaries and country to which tax is deemed to have been paid.**—For the purpose of section 904(a), dividends of a foreign corporation (at least 10 percent of whose voting stock is owned by a domestic corporation) shall be deemed to have been derived from sources within the foreign country or possession of the United States in which such foreign corporation is incorporated, to the extent that under section 862(a) (2) such dividends are treated as income from sources without the United States. In addition, all income, war profits, and excess profits taxes paid or deemed to have been paid by such foreign corporation to any foreign country or possession of the United

States shall be deemed to have been paid to the country or possession under whose laws such foreign corporation is incorporated. (Reg. sec. 1.902-1(c).)

(d) **Corporation treated as foreign.**—The term "foreign corporation" as used above includes a domestic corporation entitled to the benefits of section 931 or 941. (Section 901(c).)

G. Limitation on credit.

(1) Alternative limitations.

(a) **Per-country limitation.**—In case of any taxpayer who does not elect the overall limitation, the amount of the credit in respect of the tax paid or accrued to any foreign country or possession of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources within such country or possession (but not in excess of the taxpayer's entire taxable income) bears to his entire taxable income for the same taxable year. (Section 904(a)(1).)

(b) **Overall limitation.**—In the case of any taxpayer who elects the overall limitation, the total amount of the credit in respect of taxes paid or accrued to all foreign countries and possessions of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources without the United States (but not in excess of the taxpayer's entire taxable income) bears to his entire taxable income for the same taxable year. (Section 904(a)(2).)

(2) Election of overall limitation.

(a) **In general.**—A taxpayer may elect the overall limitation for any year beginning after December 31, 1960. The election shall remain in effect for all subsequent taxable years, except that it may be revoked with the consent of the Commissioner with respect to any taxable year.

(b) **Election after revocation.**—If a taxpayer has elected the overall limitation and such election has been revoked, such taxpayer shall not be eligible to make a new election of the overall limitation for any taxable year, unless the Commissioner consents to such new election.

(c) **Time of election and revocation.**—An election with respect to any taxable year may be made or, if made, may be revoked at any time before the expiration of the period prescribed for making a claim for credit or refund of U.S. income tax imposed for such taxable year.

H. When credit for taxes may be taken.—The credit may ordinarily be taken either in the return for the year in which the taxes accrued or in which the taxes were paid, depending upon whether the accounts of the corporation are kept and its returns filed upon the accrual method or upon the cash receipts and disbursements method. Section 905(a) allows the corporation, at its option and irrespective of the method of accounting employed in keeping its books, to take such credit for taxes as may be allowable in the return for the year in which the taxes accrued. An election thus made under section 905(a) must be followed in returns for all subsequent years, and no portion of any such taxes accrued in a year in which a credit is claimed will be allowed as a deduction from gross income in any year. (Reg. sec. 1.905-1(a).)

If, however, under the provisions of the regulations under section 461, an amount otherwise constituting gross income for the taxable year from sources without the United States is, owing to monetary, exchange, or other restrictions imposed by a foreign country, not includible in gross income of the taxpayer for such year, the credit for income taxes imposed by such foreign country with respect to such amount shall be taken proportionately in any subsequent taxable year in which such amount or portion thereof is includible in gross income. (Reg. sec. 1.905-1(b).)

I. Credit for taxes accrued but not paid.—In the case of a credit sought for a tax accrued but not paid, the district director may, as a condition precedent to the allowance of a credit, require a bond, Form 1117, from the taxpayer. If such a bond is required, it shall be in such sum as the Commissioner may prescribe and shall be conditioned for the payment by the taxpayer of any amount of tax found due upon any redetermination of the tax made necessary by such credit proving incorrect, with such further conditions as the district director may require. (Reg. sec. 1.905-4.)

SPECIFIC INSTRUCTIONS FOR SCHEDULES

SCHEDULE A

Column 2.—Both date of accrual of the tax and date of payment (if paid) must be given.

Column 3.—Enter type of tax (income, war profits, or excess profits).

Column 4.—Statute imposing tax should be named fully and clearly so as to be easily identified.

Column 5.—Taxable income or loss from foreign sources or possessions of the United States shall be stated in U.S. dollars. Include all income taxable (or losses allowable) by the U.S. whether or not taxable (or allowable) by the foreign country or U.S. possession. Computation of taxable income from sources without the United States must be made in accordance with sections 861 through 864. If the overall limitation is elected, all income from sources without the United States is taken into account. Thus income which is from sources without the United States but not from sources within any foreign country or possession of the United States (for example, high seas income) is not taken into account under the per-country limitation but is taken into account under the overall limitation. Where such income is taken into account it should be properly identified and shown on the schedule. For special rule for gross income from sources without the United States in case of dividends from a foreign corporation 50 percent or more of whose gross income is received from sources within the United States, see section 1.861-3(a)(2) of the Regulations. For special rule for certain wholly owned foreign corporations, see section 902(d).

Column 6.—Include tax withheld at source on dividends and other tax paid or accrued exclusive of tax deemed to have been paid or accrued by a related foreign corporation as shown in Column 7.

Column 6(a).—State the amount in the currency of the foreign country (e.g., pounds, francs, marks).

Column 6(b).—Give the rate of exchange used and attach a statement describing in reasonable detail why and how this particular rate was determined.

Column 7.—If per-country limitation is elected, enter the tax deemed to have been paid to the individual foreign country or U.S. possession from Schedule B. If the overall limitation is elected, enter on the total line the total tax deemed to have been paid to all foreign countries and/or U.S. possessions from Schedule B.

Column 8.—Attach separate schedule showing computation of carryback or carryover. If the per-country limitation has been elected, a separate computation and entry will be necessary for each country. If the overall limitation is elected, enter the total carryback or carryover on the total line.

For taxable years beginning after December 31, 1957, taxes paid or accrued to any foreign country or United States possession which are in excess of the applicable limitation may be carried back 2 years and carried forward 5 years. The excess amount must first be applied to the earliest of the 7 taxable years to which it may be carried, then to the next earliest year, etc., except that no carryback can be made to any taxable year beginning before January 1, 1958. Such excess may not be carried from a per-country year to an overall year or from an overall year to a per-country year. However, where a taxpayer has elected to change the method of computing the limitation, the year in which the alternative method has been used is counted in determining the available years of carryback or carryover.

Where the corporation has used a deduction instead of a credit in any taxable year to which the carryback or carryover is carried, the carryback or carryover is to be considered used in such year in the same manner as though the corporation had claimed the tax credit, instead of a deduction, but no credit is allowed for the amount so used.

Column 9.—If the per-country limitation is elected, then Columns 6(c), 7, and 8 must be totaled across line by line. If the overall limitation is elected, use only total line.

Column 10.—If the per-country limitation is elected, enter on each line for each country for which the credit is claimed the total U.S. income tax reported on Form 1120. If the overall limitation is elected, enter such amount on the total line only.

Column 11.—If the per-country limitation is elected, enter on each line for each country for which the credit is claimed the taxable income from all sources as reported on Form 1120. If the overall limitation is elected, enter such amount on the total line only.

Column 12.—If the per-country limitation is elected, the ratio of foreign income (Column 5) to taxable income from all sources (Column 11) must be computed for each country. If the overall limitation is elected, the ratio is computed on the total line only. However, in computing such ratio the numerator shall not exceed the denominator. See General Instruction G.

Column 13.—If the per-country limitation is elected, the limitation must be computed for each country. If the overall limitation is elected, the limitation is computed on the total line only. For special rule for application of foreign tax credit when overall limitation applies with respect to a consolidated return if the affiliated group includes a Western Hemisphere trade corporation, see section 1503(d).

Column 14.—If the per-country limitation is elected, enter for each country the amount in Column 9 or Column 13 whichever is less. The foreign tax credit to be claimed on Form 1120 will be the total of the individual credits in Column 14. If the overall limitation is elected enter on the total line the amount in Column 9 or Column 13 whichever is less. This is your foreign tax credit to be claimed on Form 1120.

SCHEDULE B

Column 2.—If dividends are paid from the gains, profits and income of more than 1 year then the tax deemed to have been paid by the domestic corporation must be computed and shown on a separate line for each year.

Column 4.—The gains, profits and income to be entered is determined by the gains, profits and income from all sources whatsoever, whether subjected to foreign tax, for the year from which the dividends (Column 7) were paid. Include all dividends received from a foreign subsidiary of the related foreign corporation. In making such determination, all dividends which are paid in the first 60 days of any year shall be treated as having been paid from the gains, profits and income of the preceding year, and in other respects such dividends shall be treated as having been paid from the most recent gains, profits and income. The conversions to dollars must be made at the same exchange rate as that used for dividends in Column 7.

Column 5.—Enter the amount of foreign tax paid on the amount of gains, profits and income entered in Column 4.

Column 7.—Enter the amount of dividends paid by the related foreign corporations to the domestic corporation.

Column 9.—Enter the amount from Schedule C, Column 11.

Column 11.—If the per-country limitation is elected, the amount which has been entered in this column should be carried to Schedule A, Column 7 and entered on line with the country or United States possession in respect of which a credit is claimed. If the overall limitation is elected, the total taxes deemed to have been paid should be entered on the total line of Schedule A, Column 7.

SCHEDULE C

If a foreign corporation in Schedule B owns 50 percent or more of the voting stock of another foreign corporation from which it receives dividends, then Schedule C must be filled in to determine the amount of tax deemed to have been paid by the foreign corporation.

Columns 1 through 6.—Same instructions as Schedule B.

Column 7.—Enter the amount of dividends paid by the subsidiary of the related foreign corporation to the related foreign corporation.

Column 10.—Carryover amount from Column 8.

Column 11.—Carry amount of tax deemed to have been paid to Schedule B, Column 9 on line with controlling foreign corporation. If dividends are paid from the gains, profits and income of more than 1 year, then the tax deemed to have been paid by the related corporation must be computed separately for each year.

