

Trends In Business Structure and Activity, 1980-1990

by Thomas B. Petska and Robert A. Wilson

An analysis of trends in business data over the decade of the 1980's shows that a shift occurred among corporations, from C Corporations, those subject to the corporation income tax, to S Corporations, those electing to be subject to the individual income tax. This shift, which was initially observed in the statistics for 1987, the first year for which the Tax Reform Act of 1986 (TRA) was in effect, is consistent with a response to the tax rate changes of TRA. Since this effect was more evident in the number of corporations than in their financial activity, the average size of those businesses which switched was relatively small. To elect S Corporation status, these small companies must also have been closely-held, with not more than 35 owner shareholders, and with "taxable income" small enough for the individual income tax rates to have been beneficial to the owners.

While the tax law changes in the 1980's in general, and the provisions of TRA in particular, had a substantial impact on the composition of businesses, the effects of the business cycle, especially the 1981-1982 and the 1990-1991 recessions, and the volatility in the energy industries, were probably at least as influential on overall business activity.

The 1980's have been described as a period in which "taxes came to dominate the public agenda" [1]. The decade began with a large Federal income tax reduction for 1981, followed by annual law changes for 1982 through 1984. Public debate on taxes in the mid-decade culminated in passage of the landmark Tax Reform Act of 1986, the most comprehensive revision of the U.S. tax code enacted since World War II.

Tax law changes continued in the later years of the decade, though some were designed to implement the sweeping reforms of 1986. These reforms to business and individual taxation resulted in "winners" and "losers," both in absolute and relative terms [1,2,3]. Some of the winners were businesses, and some were not. This article attempts to shed light on the extent of the impact of tax law changes on business structure and activity during the 1980's.

Federal Taxation of Business Income

Federal taxation of business income is a detailed and complicated topic, which will only be described here at a very basic level [4]. The three major legal forms of U.S.

business organization that are examined are: sole proprietorships, partnerships, and corporations. Corporations, in this analysis, are subdivided into those taxed at corporate rates (corporations, in general, or C Corporations) and those electing to be taxed through their shareholders at individual income tax rates (commonly referred to as Subchapter S Corporations or simply S Corporations).

A shift occurred among corporations, from those taxed at the corporate rates, to S Corporations taxed at the individual rates.

Sole Proprietorships

Taxation of sole proprietorship income is the most straightforward of the three types of business income examined in this article. The profits of sole proprietorships are taxed only at the personal (i.e., owner) level. The income statement of nonfarm sole proprietorships, which summarizes the sources of income and expenses of the business, is completed on Schedule C of the owner's individual tax return [5]. The net income or loss from the business is added to personal income from all other sources and taxed at the applicable individual income tax rates. From this perspective, the proprietorship acts essentially as a conduit through which the income of the business is passed through to the business owner.

Partnerships

A partnership also serves as a conduit between the business and its owners, who, in this case, are partners. The partnership entity is not taxed directly. Each partnership files an annual information return, which includes an income statement, balance sheet (in most cases), and a schedule of allocations or distributions made to each partner. Partners, who are predominately, though not exclusively, individuals, report their allocated shares of income and expenses on their own tax returns.

Partnerships may be either general partnerships or limited partnerships [6]. General partnerships, and general partners as well, face personal liability limited only by their personal resources and the applicable bankruptcy laws. Limited partners are more like corporate shareholders, with liability limited to the amount invested and with no active participation in management of the business.

Corporations

Unlike income from proprietorships and partnerships, corporate income is subject to double taxation. Corporate

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income is taxed directly at the business level, then again at the shareholder level, at the applicable rates on dividend income. However, certain provisions in the Federal tax code lessen this effect. First, the corporate income potentially taxable at the shareholder level excludes the taxes paid by the corporation, so income distributed to corporate shareholders is only taxable on the after-tax profits earned by the corporation. Second, the after-tax income of the corporation is not taxable at the shareholder level until it is paid to the latter in dividends or until the shareholder realizes capital gains by selling shares that have appreciated in value [7].

Subchapter S Corporations are certain small, closely-held corporations that are not taxed directly. With exceptions, their income is subject to tax only at the owner level, much like partnerships. Owners of S Corporations report their pro-rata shares of income or loss on their own tax returns. S Corporations also face other restrictions including limitations on the number and type of shareholders, on the classes of stock permitted, and on foreign or corporate ownership.

Major Tax Law Changes in the 1980's

Some of the main provisions of the tax reforms of the 1980's that affected the taxation of business income are briefly described in this section. Since all types of businesses can potentially generate income that could be taxed at the individual level, provisions affecting individual taxation, as well as direct business taxation, are also addressed.

The Economic Recovery Tax Act of 1981

Provisions in the Economic Recovery Tax Act of 1981 (ERTA) substantially lowered individual marginal rates by gradually reducing the top marginal rate from 70 percent to 50 percent over a 4-year period and limiting the maximum marginal rate on long-term capital gains to 20 percent. Other significant changes included indexing the income tax bracket boundaries, the personal exemption, and the standard deduction; however, these changes were not effective until 1985.

In addition, married two-earner couples were provided a new deduction designed to reduce their potentially higher tax liabilities (i.e., the "marriage penalty"). Incentives for savings included extending eligibility for Individual Retirement Arrangements (IRA's) to individuals who were already participants in employer-sponsored pension plans and raising the limitations on annual contributions to self-employed (Keogh) retirement plans [8].

The most significant change directly affecting business taxation was initiation of the Asset Cost-Recovery System (ACRS) of depreciation. The accelerated depreciation

allowances under ACRS substantially reduced the time within which a business could write-off its investments in plants, buildings, and equipment, thereby reducing its current taxable income.

Overall, ERTA seems to have raised an awareness that by investing in businesses with high up-front expenses, such as depreciation deductions, tax liabilities could be substantially deferred, if not permanently reduced. As a result, ERTA has been cited as providing an impetus for the proliferation of "tax shelters," which were designed to take advantage of up-front deductions and which grew dramatically during the first half of the decade [9].

The Tax Equity and Fiscal Responsibility Act of 1982

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) was focused more on generating revenue than its predecessor, ERTA. Its primary provisions imposed a limited withholding tax on interest and dividends, accelerated estimated tax payments, expanded "information reporting" to the Internal Revenue Service (IRS) by employers and other payers of income, and increased penalties for non-compliance. Other provisions strengthened individual "alternative minimum tax" rules, repealed "safe harbor leasing" (which had been intended to maximize depreciation deductions and tax credits associated with property ownership by lessors and lessees), and increased some excise taxes [10].

Subchapter S Revision Act of 1982

The Subchapter S Revision Act of 1982 simplified and modified the tax treatment of S Corporations, starting with 1983. In part, this law provided that, like partnerships, income and deduction items of S Corporations had to be distributed (or allocated) currently for inclusion in shareholders' "taxable income," and that each item distributed should retain its character in the hands of the shareholders. Previously, all of the corporation's net income (except net long-term capital gain or loss) was attributed to shareholders as a single amount, whether or not it had actually been distributed (or allocated) to them.

The first major change in corporate ownership following enactment of the new law required a changeover to a calendar year accounting period, if the company was not already using one. Beginning with 1983, the maximum number of shareholders allowed by an S Corporation was raised from 25 to 35 (prior to 1982, it was 15); the requirement that it receive no more than 80 percent of its receipts from foreign sources was repealed; and the proportion of receipts that could be from "passive" investments was raised from 20 to 25 percent (starting with 1982) [11].

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Other Tax Law Changes, 1982-1985

Several other tax law changes were enacted in the 1982-1985 period, including the Highway Revenue Act of 1982, the Social Security Amendments of 1983, the Interest and Dividends Tax Compliance Act of 1983 (which curtailed withholding on interest and dividends), the Railroad Retirement Act of 1983, the Deficit Reduction Act of 1984, and the Consolidated Omnibus Budget Reconciliation Act of 1985. Provisions of these acts increased the excise tax on such commodities as motor fuels, coal, and tobacco products, and raised the social security and railroad retirement payroll taxes. Overall, these provisions had some, albeit smaller, impact on the taxation of business income [12].

The Tax Reform Act of 1986

The Tax Reform Act (TRA) was the most comprehensive revision of the Internal Revenue Code enacted since World War II. While it is not feasible to cover this landmark legislation in detail, some of its major provisions are summarized in Figure A.

Overall, these changes were primarily focused on broadening the tax base of both individuals and corporations, by curtailing or rescinding many provisions in the tax code which had eroded the base, while lowering overall tax rates [13,14].

Tax Law Changes, 1987-1990

The post-TRA period was relatively "quiet" in terms of significant tax legislation; however, several legislative changes were enacted during this time. Most of these provisions were appended to acts to sustain Federal Government operations, such as the Continuing Resolutions for Fiscal Years 1987 and 1988. Similar annual changes were also made in the Omnibus Budget Reconciliation Acts of 1987, 1989, and 1990. Provisions in many of these, as well as in the Technical and Miscellaneous Revenue Act of 1988, were to clarify provisions of TRA and to make changes to excise taxes and accounting procedures.

Summary of Tax Law Changes

Although many provisions of the 1980's tax legislation may have affected the choice of business legal structure, three key tax law changes appear to have had the most significant effects and are the focus of this article: the relative changes in the corporate and individual marginal tax rates, the accelerated depreciation deductions under ACRS, and the limitation on losses from "passive activities."

Marginal tax rates.-- Changes in the marginal tax rate

Figure A

Highlights of the 1986 Tax Reform Act

Individual Taxation

- The top marginal tax rate was lowered from 50 percent to 28 percent.
- The standard deduction and personal exemptions were substantially increased.
- The long-term capital gains exclusion, the sales tax deduction, the two-earner deduction, income averaging, and the exclusion of unemployment benefits were repealed.
- Health insurance costs of self-employed individuals were made partially deductible.
- Individual Retirement Arrangement (IRA) eligibility and deductions for "passive" losses, consumer interest, medical expenses, business meals and entertainment, and "miscellaneous deductions" were limited and, in some cases, phased-out entirely.

Corporate Taxation

- The top corporate tax rate was reduced from 46 to 34 percent.
- The corporate minimum tax provisions were tightened.
- The investment tax credit was repealed and capital cost recovery periods under the Asset Cost Recovery System (ACRS) which had been shortened as a result of the 1981 law change, were lengthened.
- The credit for research and experimental expenditures was extended, and a new low-income housing tax credit was initiated.

on taxable income for individuals or corporations may create incentives to switch from a corporate to a non-corporate or Subchapter S structure to minimize tax liabilities. Thus, not only is the applicable tax rate schedule (whether corporate or individual) for the taxable entity significant, but so are the tax rates for the other legal forms of organization. For example, in the period after TRA, the tax rates for both individuals and corporations declined; however, the individual marginal rate reversed its pre-TRA position by becoming the lower of the two.

Tax rates applicable to corporate and individual taxable income are reflected in the tax computation schedules, usually with higher marginal rates applicable for larger amounts of taxable income. In this article the top marginal tax rate, alone, is used as a measure of the applicable tax rate structure facing most business owners in considering which tax structure to adopt.

Figure B is a summary of the top marginal corporate and individual marginal tax rates during the 1980-1990 period, showing when changes occurred, and the differ-

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Figure B

Top Marginal Tax Rates for Corporations and Individuals, Tax Years 1980-1990

Item	1980	1981
	(1)	(2)
	(Percentages)	
Corporations ¹	46	46
Individuals ¹	70	69
Difference between corporate and individual rate.....	-24	-23

Item	1982-1986	1987-1990
	(3)	(4)
	(Percentages)	
Corporations ¹	46	34
Individuals ¹	50	28
Difference between corporate and individual rate.....	-4	6

¹These rates apply only to the highest levels of taxable income and do not account for the lower rates applicable to lower taxable income, as well as potentially higher marginal tax rates due to the higher rate resulting from the phase-out of deductions and exemptions and the impact of other law changes.

ences that resulted [15]. Two key inferences which may be drawn from Figure B are that:

- the top marginal tax rates for both individuals and corporations declined dramatically in the decade, particularly beginning with 1987, the first full year affected by the passage of TRA, and
- the individual marginal rate replaced the corporate marginal tax rate as the lower of the two, thereby providing an incentive (after making an allowance for the double taxation of some corporate income) to shift to an unincorporated or Subchapter S business structure.

As a result of the change in the relative positions of the top corporate and individual marginal tax rates, certain C Corporations might consider, if possible, reorganizing as an S Corporation, a partnership, or a sole proprietorship. Considerations other than the marginal tax rate would enter into this decision-making, however, since each of these legal types has limitations and restrictions. Nevertheless, after the 1986 reform, a change from C Corporation status to that of a business that would be taxed primarily at applicable individual tax rates could have substantially reduced tax liability. Whether or not such a change did occur is a primary focus of the trend analysis in the next section.

Accelerated depreciation deductions.-- The system of accelerated depreciation deductions under the Asset Cost Recovery System (ACRS) benefited all forms of business with depreciable assets (particularly in the pre-TRA

period) by allowing much quicker write-offs of investment property. This provision essentially allowed businesses to at least defer taxation. However, accelerated depreciation deductions under ACRS affected all legal forms of business with depreciable property and thus did not provide an incentive to change business legal form.

Passive loss limitations.-- The passive loss limitations gradually disallowed, under certain conditions, individual taxpayers' deductions from taxable income of business losses defined as originating in "passive activities." Passive activities occur, for example, when a partner in a limited partnership does not materially participate in the active conduct of the trade or business on a regular, continuous, or substantial basis. Limitations on deductibility of losses from such passive activities could have had a substantial effect on the tax liabilities of individuals who were recipients of such losses. Most passive income and losses were allocated to partners in limited partnerships, often in real estate, though some such losses were received by general partners, shareholders of S Corporations, and proprietors.

Figure C provides a brief summary of key dates for changes in the accelerated depreciation deductions and the passive loss limitation provisions. The 1987 changes for both had the effect of raising taxes on business income. ACRS was a significant incentive for all types of businesses with new investments in depreciable assets in the early-to-mid part of the decade. The passive loss limitations affected individual recipients of passive losses (directly) and the business "generators" of such losses (indirectly), primarily partnerships and, to a lesser extent, S Corporations, in the post-TRA period [16,17].

Figure C

Summary of Major Tax Law Changes Other Than Tax Rates for Individuals and Corporations, 1980-1991

Item	1981	1982
	(1)	(2)
Accelerated depreciation deductions under the Asset Cost Recovery System (ACRS).....	passed	began
Passive loss limitations.....	N/A	N/A

Item	1987	1991
	(3)	(4)
Accelerated depreciation deductions under the Asset Cost Recovery System (ACRS).....	rollback of some provisions	continued effect
Passive loss limitations.....	phase-in began	phase-in ended

N/A - Not applicable.

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Analysis of Business Time Series Data

Business data by legal form of organization are presented in Table 1 and examined in this section. These data are publicly available and published in a variety of Statistics of Income (SOI) reports [18-22]. They represent weighted estimates (based on samples) of U.S. totals by year for each legal form and industry group.

The corporate data represent filers of the Form 1120 series of returns. The data on S Corporations are also included in the overall corporation data and have been deducted to compute amounts for "Other Corporations" (i.e., non-S Corporations). Data for sole proprietorships and partnerships are shown separately and have been aggregated to compute an unincorporated business total, and the corporate and unincorporated businesses have been aggregated into a grand total for all business types.

The data include the number of businesses, total and business receipts, and net income (less deficit) for Tax Years 1980-1990. Business receipts include, in general, the gross operating receipts of the business reduced by the costs of returned goods and allowances. Total receipts include, in addition to business receipts, other types of income, in the case of non-S Corporations and partnerships, such as investment income. (For proprietorships, the two amounts of receipts were defined to be equal.) Net income (less deficit) is, in general, the difference between total receipts and total deductions, although certain adjustments were made, where possible, to preserve consistent data over time (see below).

From Figures B and C, the most significant changes in the tax law occurred in 1982, with the initiation of ACRS under ERTA, and, in 1987, with the implementation of the tax rate changes, passive loss limitations, and rollback of some provisions of ACRS, all part of TRA.

For an initial look at the data, corporations (C and S),

partnerships, and nonfarm proprietorships are presented in Figure D for 1990, the last year of the decade [23].

Proprietorships accounted for 73.7 percent of the over 20 million businesses for 1990 and 26.7 percent of the \$528.6 billion of net income (less deficit). Corporations, on the other hand, accounted for only 18.5 percent of the total number of businesses, but 70.1 percent of the total net income (less deficit). The corporate shares of total and business receipts were also substantial, 89.8 percent and 89.6 percent, respectively. Partnerships accounted for relatively small portions of the number of businesses (7.7 percent), total receipts (4.5 percent), business receipts (4.4 percent), net income (less deficit) (3.1 percent).

These data show that:

- the number of businesses are dominated by proprietorships;
- corporations dominate business financial activity; and
- partnerships account for relatively small shares of both the number of businesses and business financial activity.

Trends in the Number of Businesses

Figures E, F, and H summarize trends in the number of businesses for the 1980-1990 period. In Figure E, the number of businesses is plotted over time by legal type. Proprietorships dominated throughout the decade, especially in more recent years, due to their higher rate of growth. Numbers of corporations and partnerships both show relatively modest growth for this period. However, unlike corporations, which continued to grow in number virtually every year, the number of partnerships declined after the passage of TRA, which is consistent with an expected response to the passive loss limitations.

Figure D

Number of Businesses, Receipts, and Net Income, by Legal Form, Tax Year 1990

(Number of businesses is in thousands--money amounts are in billions of dollars)

Business form	Number of businesses ¹	Total receipts	Business receipts ²	Net income (less deficit) ³
	(1)	(2)	(3)	(4)
Total	20,053	12,705.5	12,185.4	528.6
Corporations.....	3,717	11,409.5	10,914.2	370.6
S Corporations.....	1,575	1,620.7	1,593.4	32.3
Partnerships.....	1,554	565.4	540.6	16.6
Nonfarm sole proprietorships.....	14,783	730.6	730.6	141.4

¹For corporations, number of businesses represents the number of corporation income tax returns, including consolidated returns filed by affiliated groups of corporations. Taxable cooperatives, Interest-Charge Domestic International Sales Corporations, and Foreign Sales Corporations are excluded. See also the footnotes to Table 1.

²Includes investment income reported by corporations and partnerships classified in Finance, insurance, and real estate. Investment income of nonfarm sole proprietorships is excluded. See footnotes to Table 1.

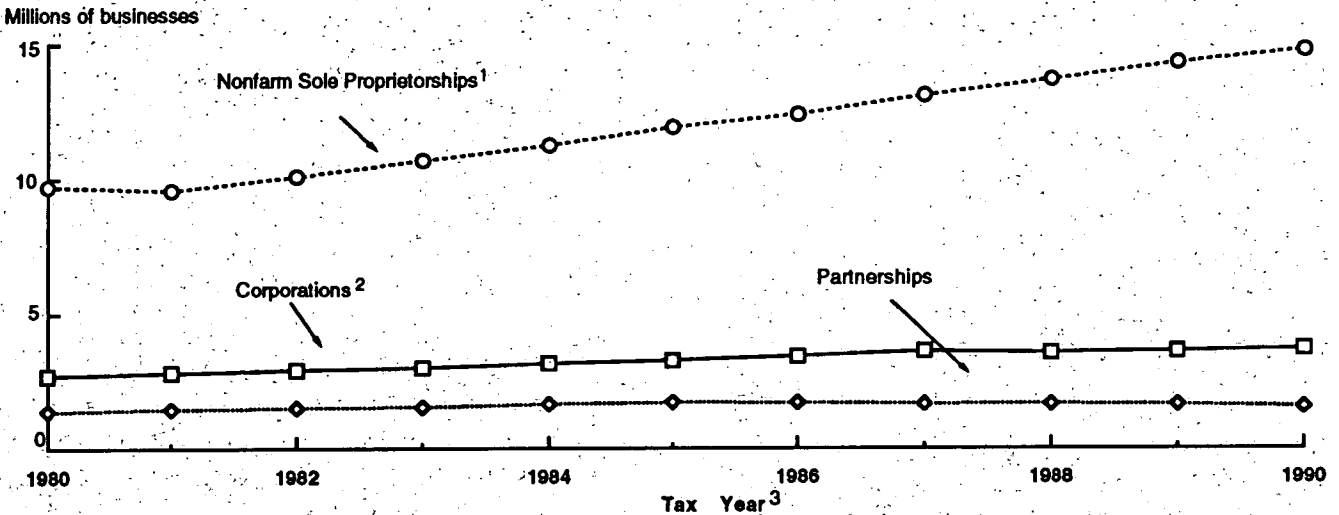
³Nonfarm sole proprietorship and S Corporation net income (less deficit) include only the amounts from trade or business activities. All investment income of nonfarm sole proprietorships and most of the investment income of S Corporations is excluded. See footnotes 4, 18, 19, and 22 at the end of this article, and the footnotes to Table 1.

NOTE: For corporations, Tax Year 1990 covers accounting periods ended July 1990 - June 1991.

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Figure E

Number of Corporations, Partnerships, and Nonfarm Sole Proprietorships, Tax Years 1980-1990



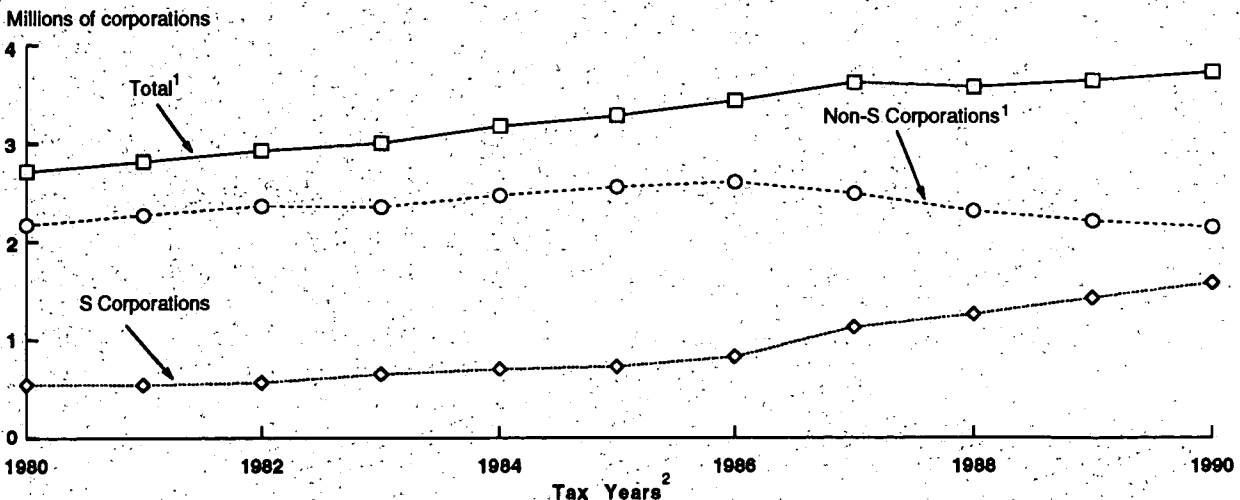
¹Starting with 1981, represents the number of sole proprietors rather than the number of sole proprietorships. Before 1981, generally represents the number of sole proprietorships.

²Represents the number of corporation income tax returns (rather than the number of corporations), including consolidated returns filed by affiliated groups of companies. Excludes nonprofit corporations that are tax-exempt, including those with "unrelated business income"; starting with 1981, excludes taxable cooperatives; and, starting with 1987, excludes Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations.

³For corporations, Tax Year 1980 covers accounting periods ended July 1980-June 1981. Other corporate tax years are similarly defined.

Figure F

Number of Corporations, by Type of Corporation, Tax Years 1980-1990



¹Represents the number of corporation income tax returns (rather than the number of corporations), including consolidated returns filed by affiliated groups of companies. Excludes nonprofit corporations that are tax-exempt, including those with "unrelated business income"; starting with 1981, excludes taxable cooperatives; and, starting with 1987, excludes Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations.

²Tax Year 1980 covers accounting periods ended July 1980-June 1981. Other tax years are similarly defined.

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In Figure F, the total number of corporations is plotted in total (again), along with separate plots of S Corporations and non-S Corporations. (Figure F uses a different scale than that used in Figure E.) Overall, the number of corporations grew quite steadily, with annual increases averaging 4.2 percent from 1981 to 1987, but the rate of increase declined to 1.0 percent in the post-TRA period [24]. The trends for S Corporations and non-S Corporations are not as stable. S Corporations grew in number for every year after 1981, peaking at 31.1 percent for 1987 with the passage of TRA. In the pre-TRA period, the number of non-S Corporations grew in every year except 1983, but declined at an annual rate of nearly 5 percent after 1986 [25].

Growth rates were calculated to summarize trends in the 1980-1990 period for the number of businesses. However, rather than show annual changes, the data have been compiled according to six periods of significant tax legislation. These periods are summarized in Figure G.

Figure G

Major Time Periods Affecting Businesses Under Tax Laws Enacted During the 1980's

Tax law period	Tax years
The pre-ERTA period ¹	1980 to 1981
The initial ERTA and the passage of TEFRA period ^{1,2}	1981 to 1982
The initial TEFRA and post-ERTA period ^{1,2}	1982 to 1983
The post-ERTA and pre-TRA period ^{1,3}	1983 to 1986
The TRA transition period ³	1986 to 1987
The post-TRA period ³	1987 to 1990

¹ERTA is the Economic Recovery Tax Act of 1981.

²TEFRA is the Tax Equity and Fiscal Responsibility Act of 1982. (The Subchapter S Revision Act also was passed in 1982.)

³TRA is the Tax Reform Act of 1986.

Figure H presents annual rates of increase for the number of businesses for the periods described in Figure G. Some of the highlights from Figure H are:

- the number of corporations increased in each of these six periods, although the rate of growth declined to only 1 percent in the post-TRA period;
- the number of S Corporations not only accounted for much of the overall increase in the number of corporations, but also appears to have grown at the expense of other corporations in the post-TRA period (which is consistent with a response to the incentives provided by the marginal tax rate changes);
- the large increase (31 percent) in the number of S Corporations for 1987 is probably attributable to conversions from C Corporations, although some S

Corporations with noncalendar year accounting periods may have been double-counted in the statistics when they converted to the required calendar-year periods [25];

- mergers and acquisitions among corporations, particularly non-S Corporations, may have reduced rates of growth (the possible effect of mergers and acquisitions is addressed later);
- partnerships grew in number from 1980 until 1986, but declined after 1986 with the passage of TRA (this is also consistent with an expected response to the passive loss limitations in TRA); and
- nonfarm proprietorships exhibited stable growth from 1981 to 1990 (between 4 and 6 percent), after declining for 1981. However, the 1981 drop may have, at least partly, been the result of a processing change in which the number of proprietors was substituted for the number of proprietorships [26].

Business Receipts

Figures I and J illustrate overall trends in business activity based on business receipts data, in general (Figure I), and

Figure H

Annual Rates of Increase in the Number of Corporations, Partnerships, and Nonfarm Sole Proprietorships, Tax Years 1980-1990

Business type	1980 to 1981	1981 to 1982	1982 to 1983
	(1)	(2)	(3)
	(Percentages)		
Total	0.3	4.8	4.7
Corporations ^{1,2}	3.7	4.0	2.5
S Corporations.....	-0.7	4.1	13.9
Non-S Corporations ^{1,2}	4.8	3.9	-0.5
Partnerships.....	5.7	3.6	1.8
Nonfarm sole proprietorships ³	-1.5	5.3	5.8
Business type	1983 to 1986	1986 to 1987	1987 to 1990
	(4)	(5)	(6)
	(Percentages)		
Total	4.6	4.6	3.0
Corporations ^{1,2}	4.5	5.2	1.0
S Corporations.....	8.1	31.1	11.1
Non-S Corporations ^{1,2}	3.4	-4.6	-4.9
Partnerships.....	3.3	-3.3	-2.0
Nonfarm sole proprietorships ³	4.9	5.5	4.1

¹Represents corporation income tax returns, including consolidated returns filed by affiliated groups of corporations. Excludes taxable cooperatives starting with 1981 and Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations starting with 1987. See also footnote 2 to Table 1.

²For corporations, Tax Year 1980 covers corporate accounting periods ended July 1980 - June 1981. Other corporate tax years are similarly defined.

³Starting with 1981, represents the number of proprietors rather than proprietorships. Before 1981, represents the number of proprietorships.

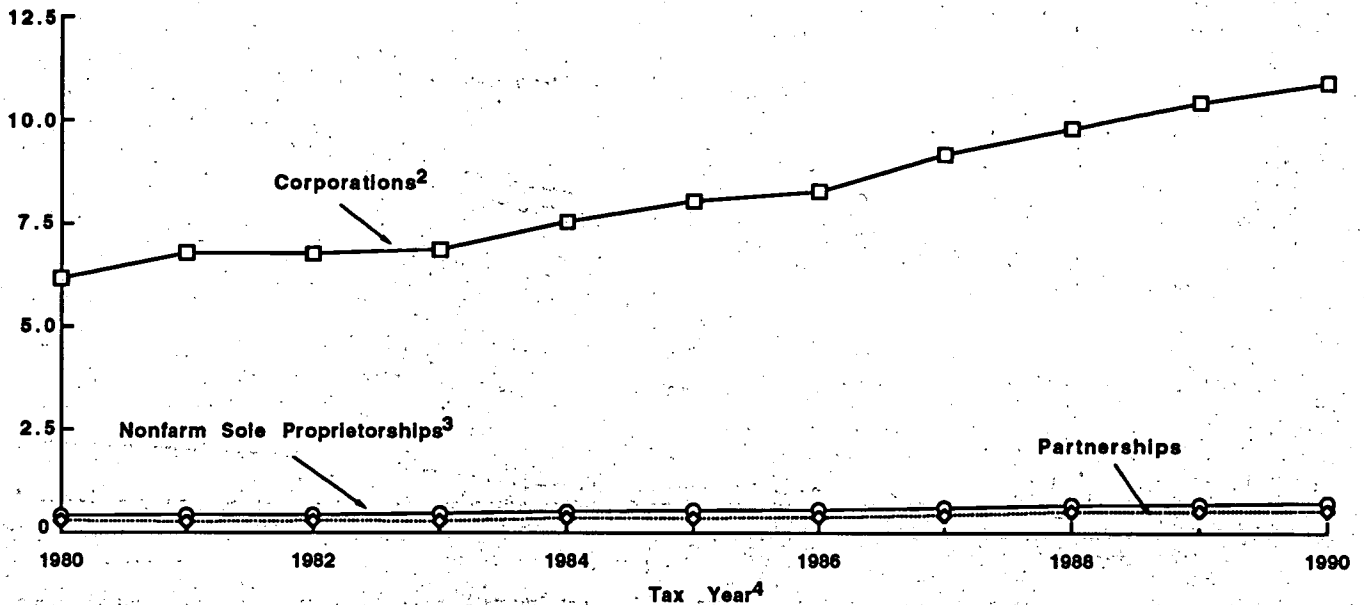
NOTE: These rates of increase were calculated using the formula in footnote 24 at the end of this article.

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Figure I

Business Receipts of Corporations, Partnerships, and Nonfarm Sole Proprietorships, Tax Years 1980-1990¹

Trillions of dollars



¹Business receipts by legal form of organization and, in some instances, by year, are not altogether comparable because of different definitions under the tax code and different statistical treatment. For purposes of the statistics, business receipts include investment income for corporations and partnerships classified in Finance, insurance, and real estate. See the text and also footnote 3 to Table 1 for additional information.

²Included in business receipts for corporations are those reported on consolidated returns, which contain financial data for affiliated companies that could otherwise file separate returns. Receipts reported by corporations included in consolidated returns represent only those from sales and services to customers outside the affiliated groups; inter-company receipts within these groups are therefore only indirectly reflected in the statistics. Business receipts excludes those of nonprofit corporations, including those with "unrelated business income"; taxable cooperatives, starting with 1981; and, Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations, starting with 1987. Also excluded from the corporate statistics, starting with 1983, is investment income of S Corporations.

³Business receipts for sole proprietorships exclude income from investments.

⁴For corporations, Tax Year 1980 covers accounting periods ended July 1980-June 1981. Other corporate tax years are similarly defined.

corporation business receipts (Figure J). Annual increases for the six tax law periods in the 1980's are summarized in Figure K [27].

In Figure I, trends in business receipts are very different from trends for the number of businesses. Corporations clearly dominate this measure of gross financial activity, and the trend points to even greater domination in the future. Partnerships and proprietorships both show small, though relatively stable, portions of business receipts during the 1980's.

Figure J depicts business receipts for each of the two corporate types over time. As previously shown (Figure F), the number of S Corporations grew substantially in the post-TRA period. However, for business receipts, non-S Corporations still clearly dominated corporate financial activity. While the rate of growth in business receipts of S Corporations did accelerate after the passage of TRA (in keeping with their increased number), growth in the

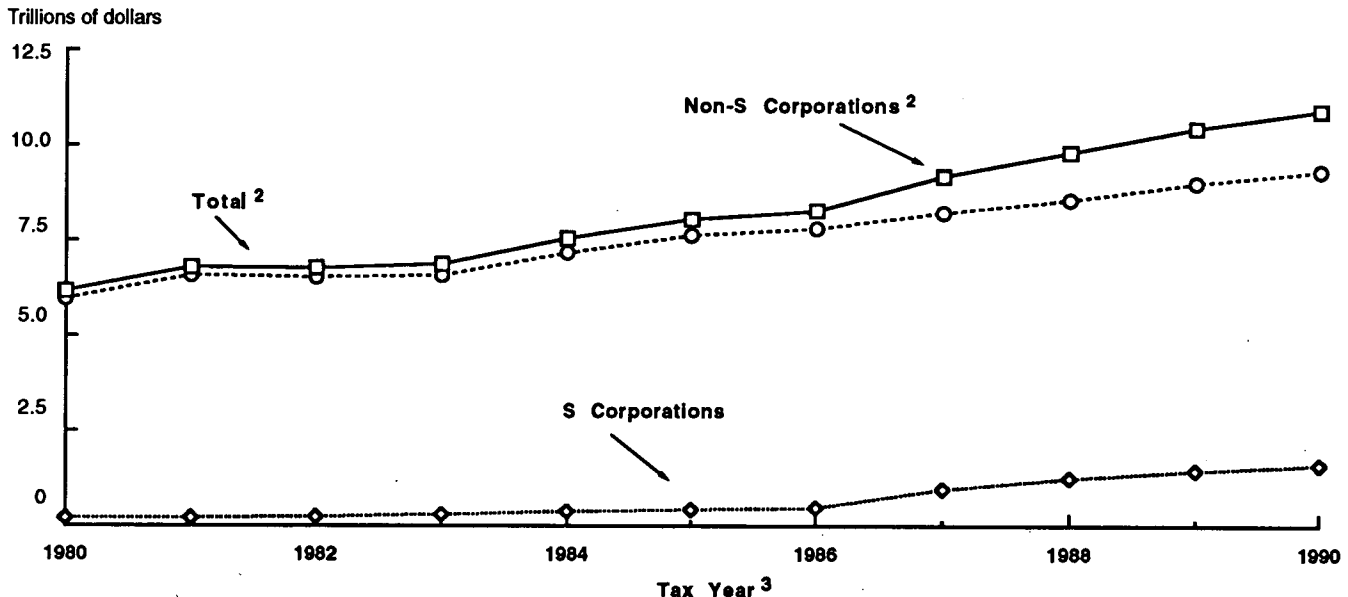
receipts of non-S Corporations continued throughout the decade, although their rate of growth may have been reduced by the growth of S Corporations after TRA. The increase in consolidated returns in the first half of the decade is another issue affecting these trends, which is examined later.

Figure K shows that, overall, business receipts grew in each of the six periods of tax law change, although the increase was under 1 percent for the 1981-1983 period. Corporate business receipts grew substantially between 1980 and 1981, even with the onset of the 1981-1982 recession, but declined slightly for 1982. Corporate receipts once again increased for 1983 and the rate of increase accelerated between 1983 and 1987, culminating in a 10.4 percent rise for 1987. In the post-TRA period, business receipt growth slowed, but still maintained a 5.7 percent annual rate of increase. Growth in receipts of S Corporations was in double digits from 1981 through the

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Figure J

Business Receipts of Corporations, by Type of Corporation, Tax Years 1980-1990¹



¹Business receipts by year are not altogether comparable because of different statistical treatment. Also business receipts include investment income for non-S Corporations classified in Finance, insurance, and real estate; for S Corporations, investment income for Finance, insurance, and real estate is included for 1980-1982 only.

²Included in total business receipts and in the receipts for non-S Corporation are those reported on consolidated returns, which contain financial data for affiliated groups of individual corporations that could otherwise file separate returns. Receipts on consolidated returns represent only those from sales and services to customers outside the affiliated groups; inter-company receipts within these groups are therefore only indirectly reflected in the statistics. Excluded from total business receipts and from receipts of non-S Corporations are those of nonprofit corporations, including those with "unrelated business income"; taxable cooperatives, starting with 1981; and, Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations, starting with 1987. Also excluded from total business receipts and from receipts of S Corporations, starting with 1983, is investment income reported by these latter corporations.

³Tax Year 1980 covers accounting periods ended July 1980-June 1981. Other tax years are similarly defined.

end of the decade, peaking at an annual rate of increase of 70.4 percent for 1987.

Changes in partnership receipts were the most volatile of all business types, particularly in the 1980-1983 period. However, beginning with 1983, receipts grew, percentage-wise, at double-digit levels through 1987, and slowed only modestly in the post-TRA period, as the number of partnerships began to drop. Proprietorships, on the other hand, grew in every period, increasing at an annual rate of 6.5 percent from 1982 to the end of the decade.

Net Income (Less Deficit) Changes

Figures L, M, and N present data on net income (less deficit) by business form. Net income (less deficit) for all three business forms is plotted in Figure L, while in Figure M, net income (less deficit) for the types of corporations is plotted. In Figure N, average annual changes in net income (less deficit) are presented for the six periods of tax law change. (It should be noted that net income is not

always defined the same for all legal forms; see footnote 3 to Table 1 for a discussion of the differences.)

Figure L shows that, as in the case for business receipts, corporations again dominated the business sector. However, corporation net income (less deficit) appears to have been more sensitive to the economic downturns in 1981-82 and 1990-91 than were corporate business receipts.

Profits of proprietorships show modest but steady growth throughout the decade. Partnerships, on the other hand, show growing deficits from 1981 through the entire pre-TRA period, and only begin to generate positive net income with 1988, the second post-TRA year, as economic forces began to overtake the declining impact of tax shelter activities.

In Figure M, the picture for corporate net income (less deficit) is similar to that for corporate business receipts. Although S Corporation profits increased following the passage of the 1986 tax reform (even with the more

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Figure K

Annual Rates of Increase in Business Receipts for Corporations, Partnerships, and Nonfarm Sole Proprietorships, Tax Years 1980-1990

Business type	1980 to 1981	1981 to 1982	1982 to 1983
	(1)	(2)	(3)
	(Percentages)		
Total.....	8.5	0.1	1.7
Corporations ^{1,2}	9.6	-0.3	1.5
S Corporations.....	0.5	13.0	21.6
Non-S Corporations ^{1,2}	9.9	-0.8	0.7
Partnerships.....	-8.6	7.9	-2.0
Nonfarm sole proprietorships...	3.8	1.5	7.0

Business type	1983 to 1986	1986 to 1987	1987 to 1990
	(4)	(5)	(6)
	(Percentages)		
Total.....	6.4	10.3	5.8
Corporations ^{1,2}	6.2	10.4	5.7
S Corporations.....	15.9	70.4	17.0
Non-S Corporations ^{1,2}	5.7	5.2	4.1
Partnerships.....	10.3	12.3	7.8
Nonfarm sole proprietorships...	6.1	8.8	6.0

¹ Represents corporation income tax returns, including consolidated returns filed by affiliated groups of corporations. Excludes taxable cooperatives starting with 1981 and Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations starting with 1987. See also footnote 2 to Table 1.

² For corporations, Tax Year 1980 covers corporate accounting periods ended July 1980 - June 1981. Other tax years are similarly defined.

NOTES: These rates of increase were calculated using the formula in footnote 24 at the end of this article.

For definitions of business receipts by legal form of organization, see footnote 3 to Table 1.

limited definition of profits used for Statistics of Income for these years), non-S Corporations still very much dominate the corporate profits data [28]. Thus, despite the growth of net income (less deficit) for S Corporations, corporate profits are still clearly dominated by those of non-S Corporations, which include the large corporations and financial institutions that play predominant roles in the U.S. economy.

In Figure N, businesses as a whole show substantial declines in net income (less deficit) from 1980 to 1982, but dramatic increases thereafter. Since corporations account for a substantial portion of total net income (less deficit), it is not surprising that changes in their net income over time are similar to those shown for all businesses. Corporations show large declines in net income (less deficit) for the 1981-1982 recession years, but strong annual net income gains for the rest of the decade. Growth in net income peaked at \$58.7 billion for 1987, then slowed to an annual average increase of \$14.1 billion in the post-TRA period.

S Corporations show modest increases for all years after 1981, except for a sharp increase of \$15.9 billion for 1987 [29]. Just as corporations in total dominate the net income of all businesses, non-S Corporations dominate net income of all corporations. Thus, it is not surprising

that average annual changes in non-S Corporation net income mirror those for all corporations, and, to a lesser extent, for all business types. Large declines are evident in the 1981-1982 recession period, followed by annual increases throughout the remainder of the decade.

Partnerships show substantial declines in net income (less deficit) for the 1981-1982 recession years; however, this growth in losses was reversed for 1983. Losses again grew, at nearly \$5 billion per year for 1983-1986, as a result of growth in the tax shelter activities of limited partnerships. Average net income of nonfarm proprietorships grew strongly after the 1981-1982 recession, with increases of nearly \$10 billion or more annually for the rest of the decade.

Industry Trends

This section highlights some trends by industry. The discussion focuses on annualized changes between 1980 and 1990, ignoring fluctuations in the intervening years. Specifically, the emphasis is on:

- relative changes over time within industrial groups in terms of the number of entities and financial activity, 1980 versus 1990 (Figure O), and
- changes in the composition of industrial groups in terms of incorporated and unincorporated businesses, 1980 versus 1990 (Figure P).

Changes in industry data based on business income tax returns are necessarily imprecise, particularly when large businesses that frequently dominate total business activity are included. Large businesses, which are usually non-S Corporations, are often characterized by multiple lines of activity. Such businesses are classified by industry according to the single activity that accounts for the largest percentage of total receipts, which can be either large or small. No distribution along business lines is required on the tax return.

This limitation needs to be taken into account in any time series analysis of business data, particularly if the years concerned are characterized by major changes in the mix of activities in which the large companies engage. Such changes could have resulted from increased diversification; other changes in business activity; as well as from corporate mergers, spin-offs, reorganizations, and changes in the number of consolidated returns filed for affiliated corporations or in the composition of the affiliated groups, themselves.

Changes between 1980 and 1990 by Industrial Group

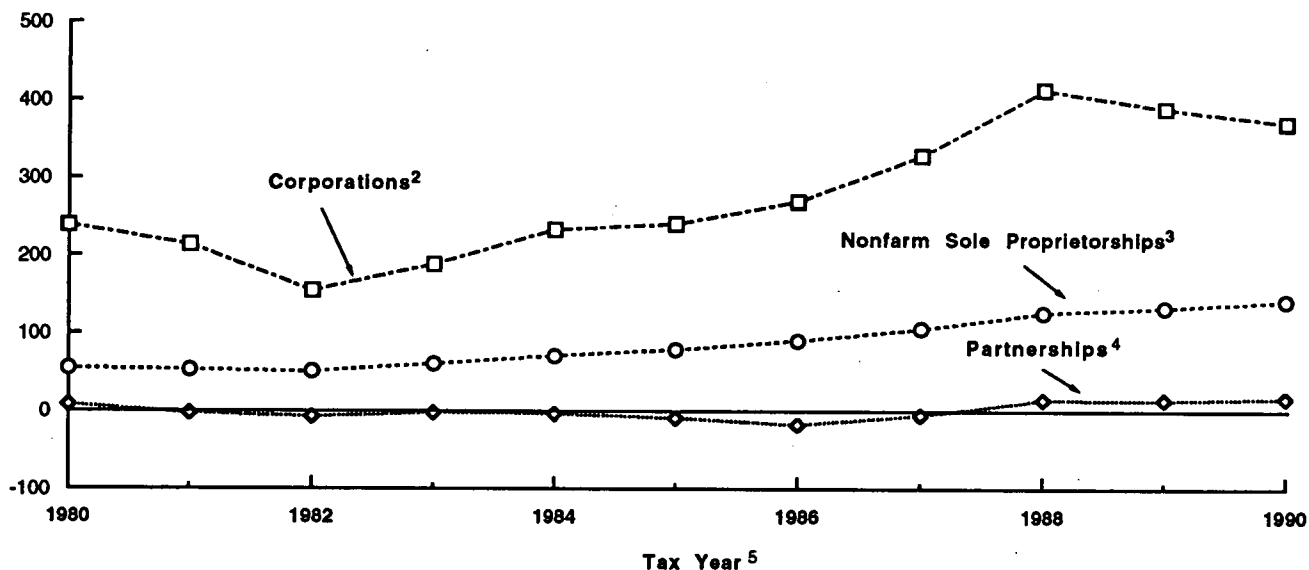
Overall, the number of businesses grew on an annualized basis by 3.7 percent between 1980 and 1990 (Figure O)

Trends in Business Structure and Activity, 1980-1990

Figure L

Net Income (Less Deficit) of Corporations, Partnerships, and Nonfarm Sole Proprietorships, Tax Years 1980-1990¹

Billions of dollars



¹Net income (less deficit) by year and by legal form are not altogether comparable because of different definitions under the tax code and different statistical treatment. For additional information, see footnote 3 to Table 1.

²For corporations, for all years, net income (less deficit) includes income only constructively received from related foreign corporations, but excludes tax-exempt interest on State and local Government obligations, investment income or loss reported by S Corporations starting with 1983, and net long-term capital gain (reduced by net short-term capital loss) reported by regulated investment companies for 1988 and 1990. Also excluded are the net income (less deficit) of taxable cooperatives, starting with 1981; and Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations, starting (in general) with 1987.

³For nonfarm sole proprietorships, net income (less deficit) is after the passive loss limitations, starting with 1987. Excludes investment income, including capital gains and losses.

⁴For partnerships, net income (less deficit) excludes capital gains and losses.

⁵For corporations, Tax Year 1980 covers accounting periods ended July 1980-June 1981. Other corporate tax years are similarly defined.

[24]. Total receipts and business receipts also increased substantially, growing annually by 5.9 percent and 5.7 percent, respectively. Net income (less deficit) also grew at a substantial rate (5.6) percent over the decade. Several industrial groups accounted for much of this growth in the number of businesses or in financial activity, including construction, communication, finance, insurance, and services.

The number of businesses and net income (less deficit) grew in the mining division, which includes oil and gas extraction; however, total and business receipts annually declined by 3.4 percent and 4.2 percent, respectively. On the other hand, the number of businesses, total and business receipts, and net income (less deficit) all grew at above average rates in communication, in the transportation, communications, and public utilities division. Wholesale and retail trade grew at below average rates in terms of the number of businesses and receipts, and net income (less deficit) actually declined over the decade.

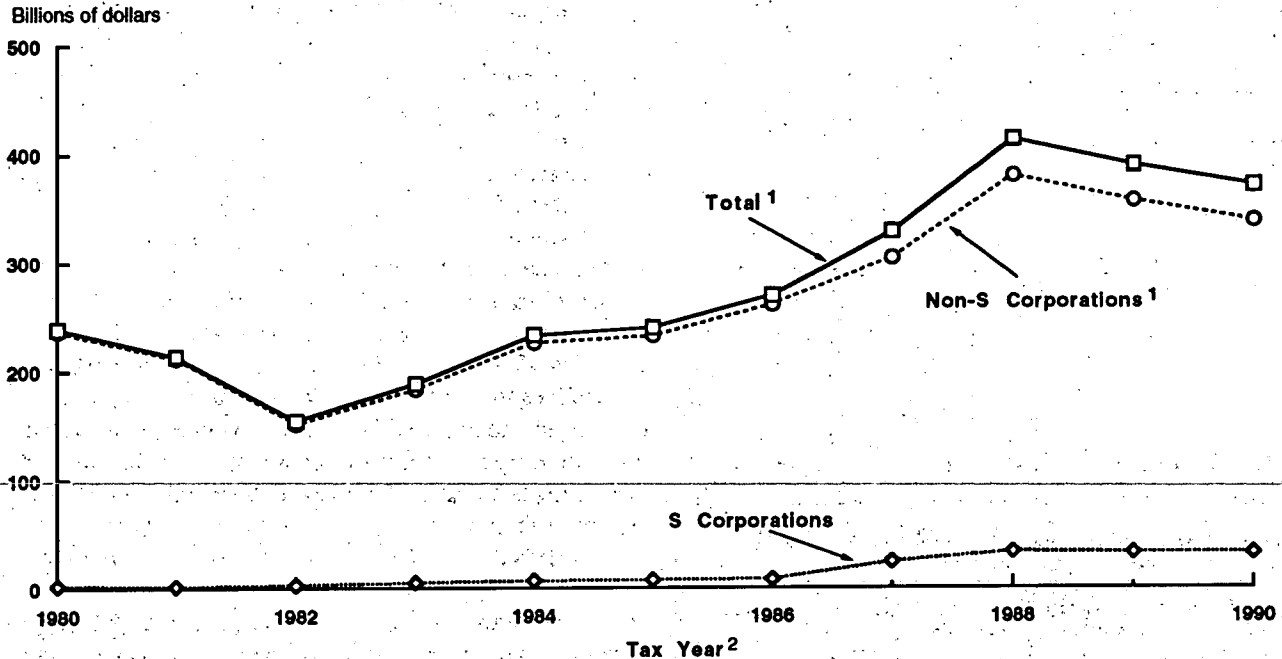
The finance, insurance, and real estate division exhibited some of the largest changes. Overall, this division showed modest increases in the number of businesses (2.4 percent); however, receipts and net income (less deficit) grew at 9.7 percent and 11.0 percent, respectively. The number of businesses in finance declined, led by banking and credit agencies (which includes savings and loan associations), with an average annual rate of decline of 5.7 percent. However, receipts for finance grew at an annual rate of 9.7 percent, led by a 14.6 percent annual rate of increase for holding and investment companies (which includes regulated investment companies). Net income (less deficit) for finance grew at a 25.1 percent annual rate. Overall, finance led all industrial groups in the growth of receipts and net income (less deficit), despite a decline in the number of businesses [30].

The insurance group grew at higher-than-average rates, particularly for receipts, which increased by 9.9 percent. Real estate exhibited some of the most volatile behavior of

Trends in Business Structure and Activity, 1980-1990

Figure M

Corporate Net Income (Less Deficit), by Type of Corporation, Tax Years 1980-1990



¹Net income (less deficit) is before Federal income tax and includes income only constructively received from related foreign corporations, but excludes tax-exempt interest on State and local Government obligations. Total net income (less deficit) and net income (less deficit) of non-S Corporations also exclude amounts attributable to taxable cooperatives, starting with 1981; and to Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations, starting with 1987. Statistics for the total and for non-S Corporations also exclude net long-term capital gain (reduced by net short-term capital loss) reported by regulated investment companies for 1988 and 1990. The total and net income (less deficit) for S Corporations exclude most investment income or loss of these latter corporations, starting with 1983. For additional information, see footnote 3 of Table 1.

²Tax Year 1980 covers accounting periods ended July 1980-June 1981. Other tax years are similarly defined.

all industries, which is not surprising since the industry is known for its cyclical behavior, as well as its tax sheltering activities during the pre-TRA years. Real estate businesses grew in number by only 2.5 percent annually and their receipts grew at 6.3 percent rate. However, real estate net income (less deficit) declined substantially at a 27.5 percent annual rate in the decade, due mostly to increased losses (rather than decreased positive net income).

From data in Table 1, this trend in real estate net losses was led by partnerships, where losses amounted to \$36.6 billion for 1986, the last year prior to TRA. Most of these partnership losses were attributable to real estate operators and lessors of buildings, which showed growing losses throughout the pre-TRA period, peaking at \$33.1 billion for 1987, then only declining to \$25.4 billion by 1990.

The services division grew at above average rates, particularly for receipts and net income (less deficit). The division was led by strong growth in receipts and net income (less deficit) for legal services.

Changes in Business Legal Structure by Industrial Group

Figure P compares 1980 with 1990 in the legal composition of business by presenting the corporate portion of total business activity in percentage terms for the 2 years. In addition, since S Corporations are taxed through shareholders at individual income tax rates, an "adjusted percent incorporated" was calculated by deducting S Corporations from the corporation totals and recomputing the corporate shares of business entities and activity for 1980 and 1990. Figure P can be used to assess changes in business legal structure by industrial group.

Overall, the corporate share of the number of businesses and amount of total receipts changed very little from 1980 to 1990, despite the apparent trend of increasing corporate domination of business receipts exhibited in Figure I. This was not the case for net income (less deficit), however, where the corporate share declined from 79.1 to 70.1 percent. When S Corporations are deducted from the corporate data to compute an adjusted corporate share, the corporate portion shows substantial declines

Trends in Business Structure and Activity, 1980-1990

Figure N

Average Annual Increases in Net Income (Less Deficit) for Corporations, Partnerships, and Nonfarm Sole Proprietorships, Tax Years 1980-1990
(Money amounts are in billions of dollars)

Business type	1980 to 1981	1981 to 1982	1982 to 1983
	(1)	(2)	(3)
Total	-38.1	-66.4	48.5
Corporations ^{1,2}	-25.4	-59.3	34.0
S Corporations.....	-0.6	1.1	2.1
Non-S Corporations ^{1,2}	-24.8	-60.4	31.9
Partnerships.....	-10.9	-4.6	4.7
Nonfarm sole proprietorships.....	-1.8	-2.5	9.8
Business type	1983 to 1986	1986 to 1987	1987 to 1990
	(4)	(5)	(6)
Total	32.1	85.8	33.4
Corporations ^{1,2}	27.1	58.7	14.1
S Corporations.....	1.1	15.9	2.7
Non-S Corporations ^{1,2}	26.0	42.8	11.4
Partnerships.....	-4.9	12.0	7.3
Nonfarm sole proprietorships.....	10.0	15.1	12.0

¹Represents corporation income tax returns, including consolidated returns filed by affiliated groups of corporations. Excludes taxable cooperatives starting with 1981 and Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations starting with 1987. See also footnote 2 to Table 1.

²For corporations, Tax Year 1980 covers corporate accounting periods ended July 1980 - June 1981. Other tax years are similarly defined.

NOTE: For definitions of net income, see footnote 3 to Table 1.

from 1980 to 1990 in the number of businesses and in total receipts as well, and the decline in the corporate share of net income (less deficit) is more pronounced.

For agriculture, the corporate share of the number of businesses and receipts increased even though portions of corporate agricultural activity may be included in statistics for companies whose major business activity was elsewhere. The exclusion of proprietorship farms, a major portion of farming businesses, also compromises the usefulness of these data in analyzing farming [31]. The corporate share of net income (less deficit) for agriculture declined substantially in both the unadjusted and adjusted computations.

For mining, especially for oil and gas extraction, the corporate share of the number of businesses grew in the unadjusted data but declined slightly in the adjusted data. The corporate share of total receipts declined sharply, while the corporate share of net income (less deficit) was not computed for 1980 because deficits in some of the unincorporated business data make this measure less meaningful.

Construction shows only very minor changes in corporate composition from 1980 to 1990 for the number of businesses and total receipts in the unadjusted data. However, declines from 1980 to 1990 were evident in all the adjusted figures, as well as in unadjusted net income (less deficit).

Manufacturing is an industrial division where it is often assumed that large corporations have increased their market share. However, the corporate share of the number of businesses actually declined slightly in the unadjusted data for 1990. For receipts and net income (less deficit), corporations accounted for all but 1 or 2 percent of the totals in the unadjusted data. In the adjusted composition shares, declines are evident in the number of businesses, total receipts, and net income (less deficit). To some extent, this may be an effect of change in the principal activity of some of the larger companies, or of diversification and the filing of consolidated returns.

For the transportation, communication, and public utilities division, the corporate composition already exceeded 90 percent of the financial activity for 1980, so the declines for 1990 are relatively modest in both the unadjusted and adjusted figures. For wholesale and retail trade, the corporate share of the number of businesses and total receipts increased for 1990 in the unadjusted data but declined in the adjusted data. The corporate share of net income (less deficit) declined in both, though more in the adjusted data.

In the finance, insurance, and real estate division, the corporate share of the number of businesses changed very little in the unadjusted data, but declined from 19.6 to 13.3 percent in the adjusted percentages. However, the corporate shares of receipts increased in both the unadjusted and adjusted calculations. Although missing data and the presence of deficits complicate the picture, some of the industrial groups in the division still exhibit some significant changes between 1980 and 1990 [32].

In finance, the corporate share of the number of businesses declined, while the corporate share of receipts increased, the latter primarily because of increases for security and commodity brokers and holding and investment companies (except bank holding companies). The corporate share of receipts for real estate increased from 38.6 percent to 54.8 percent, despite growing losses in net income (less deficit). For 1980, corporations in real estate accounted for \$1.6 billion of the \$1.9 billion total of net income (less deficit) for all legal forms; for 1990, corporations accounted for \$4.8 billion of the overall \$27.9 billion net deficit reported for that year. Within real estate, the corporate share of the number of subdividers and developers declined between 1980 and 1990, even though their share of total receipts increased. For this industrial group, the corporate share accounted for 50 percent of an overall \$0.6 billion gain for 1980 and 26.6 percent of an overall \$7.9 billion deficit for 1990 [33].

In the services division, all of the changes in the unadjusted data between 1980 and 1990 show declines in the corporate share, the largest being for net income (less

Trends in Business Structure and Activity, 1980-1990

Figure 0

Annual Rates of Increase for Specified Items by Selected Industrial Group, Tax Year 1980 to Tax Year 1990

Selected industrial group	Increases, 1990 compared to 1980 ¹			
	Number of businesses	Total receipts	Business receipts	Net income (less deficit)
	(1)	(2)	(3)	(4)
(Percentages)				
All Industries²	3.7	5.9	5.7	5.6
Agriculture, forestry, and fishing.....	1.8	3.7	3.5	9.7
Mining.....	1.6	-3.4	-4.2	7.4
Oil and gas extraction.....	2.4	-5.8	-6.8	6.8
Construction.....	4.7	6.9	6.9	5.6
Manufacturing.....	2.2	4.4	4.1	3.2
Transportation, communication, and public utilities.....	3.4	6.0	5.6	5.7
Communication.....	11.5	9.9	9.2	5.8
Wholesale and retail trade.....	0.9	5.0	4.9	-0.7
Wholesale trade.....	1.5	3.6	3.5	-4.1
Retail trade.....	1.2	6.4	6.3	3.4
Finance, insurance, and real estate ²	2.4	9.7	9.7	11.0
Finance ²	-1.6	9.7	9.7	25.1
Banking and credit agencies.....	-5.7	9.7	9.7	22.9
Security and commodity brokers.....	6.0	9.8	9.8	12.0
Holding and investment companies ²	-1.9	14.6	14.6	16.0
Insurance.....	4.7	9.9	9.9	6.6
Real estate.....	2.5	6.3	6.3	-27.5
Operators and lessors of buildings.....	2.6	0.1	0.1	-22.4
Subdividers and developers.....	7.7	13.6	13.6	-26.5
Services.....	5.9	10.3	10.2	9.5
Accounting, auditing, and bookkeeping.....	4.0	9.2	9.1	8.9
Legal services.....	3.3	10.6	10.5	9.6
Medical services.....	4.4	8.9	8.7	9.3

¹The formula used to compute the percentage increases is stated in footnote 24 at the end of this article.

²Because there are relatively few sole proprietorship Holding and investment companies, separate industry statistics for them are not available for these two years. However, they are included in the totals for Finance; Finance, insurance, and real estate; and All industries.

NOTES: The totals for number of businesses, total receipts, business receipts, and net income (less deficit) on which the percentage increases are based are the combined totals for nonfarm sole proprietorship, partnership, and corporation income tax returns. The latter include consolidated returns filed for groups of affiliated corporations. For additional information about the number of businesses, see footnote 2 of Table 1; for additional information about total receipts, business receipts, and net income, see footnote 3 of Table 1.

deficit) which fell by 50 percent. In addition, the declines in the corporate share were substantially larger in all of the adjusted percentages.

In summary, the overall corporate shares of the number of businesses and of total financial activity declined between 1980 and 1990 in both the unadjusted and adjusted figures. Larger declines were more evident in the latter, which were expected because of the growth of S Corporations in the post-TRA period. In particular, the shift to S Corporations brought about a substantial shift in the corporate composition of the number of businesses, although the resulting shift in economic activity was less noticeable (Figures F, J, and L). This was because many of the businesses that shifted to S Corporation status were relatively small, thereby causing a larger change in the number of businesses than in financial activity.

Other factors, which would have reduced the number

of corporations and, to a lesser extent, reduced the corporate financial data, are corporate mergers and acquisitions and the increase in the number and scope of consolidated returns. For example, the percentage changes in the number of corporations between 1980 and 1990 may be affected by the increase in the number of consolidated returns filed for affiliated groups, influenced in part by the increase in merger activity that occurred in the decade. These affiliated groups would have included established companies, which formerly filed separate returns whose ownership changed, as well as new companies. However, no statistics were compiled on the number of companies, represented in consolidated returns. While it is difficult to separate these effects, Figure Q briefly addresses these issues by presenting time series data on consolidated returns.

In the pre-TRA period, the number of consolidated

Trends in Business Structure and Activity, 1980-1990

Figure P

Incorporated Business Activity as a Percentage of Total Business Activity by Selected Industrial Group, Tax Year 1980 Compared to Tax Year 1990

Selected industrial group	Percent incorporated		Adjusted percent incorporated ¹	
	1980 (1)	1990 (2)	1980 (3)	1990 (4)
All industries: ²				
Number of businesses	19.6	18.5	15.7	10.7
Total receipts.....	90.0	89.8	87.1	77.0
Net income (less deficit).....	79.1	70.1	78.3	64.0
Agriculture, forestry, and fishing:				
Number of businesses	15.7	20.6	9.5	11.6
Total receipts.....	63.7	74.2	53.4	52.2
Net income (less deficit).....	35.0	22.6	40.0	24.5
Mining:				
Number of businesses	14.2	18.7	11.3	11.1
Total receipts.....	88.7	78.6	86.1	70.7
Net income (less deficit).....	(³)	64.6	(³)	54.9
Oil and gas extraction:				
Number of businesses.....	11.3	16.1	n.a.	9.7
Total receipts.....	89.2	72.5	n.a.	67.2
Net income (less deficit).....	(³)	60.0	(³)	50.8
Construction:				
Number of businesses	19.3	18.1	15.2	11.1
Total receipts.....	80.0	80.3	73.0	55.3
Net income (less deficit).....	36.8	27.1	34.0	8.4
Manufacturing:				
Number of businesses.....	42.6	42.5	35.6	26.5
Total receipts.....	98.7	97.6	97.7	89.8
Net income (less deficit).....	99.1	97.9	98.5	91.1
Transportation, communication, and public utilities:				
Number of businesses	19.5	20.0	14.9	12.0
Total receipts.....	95.3	93.3	93.7	87.3
Net income (less deficit).....	90.1	89.8	90.5	90.4
Communication:				
Number of businesses.....	58.7	31.2	n.a.	16.6
Total receipts.....	99.4	92.8	n.a.	90.5
Net income (less deficit).....	100.0	(³)	100.0	(³)
Wholesale and retail trade:				
Number of businesses.....	22.7	26.6	17.5	15.7
Total receipts.....	87.9	90.4	83.1	69.2
Net income (less deficit).....	76.3	64.3	74.5	45.1
Finance, insurance, and real estate: ²				
Number of businesses	22.6	22.1	19.6	13.3
Total receipts.....	86.5	92.0	85.7	89.1
Net income (less deficit).....	93.2	(³)	92.4	(³)
Finance: ²				
Number of businesses	28.8	20.2	n.a.	15.5
Total receipts.....	92.5	94.8	n.a.	93.9
Net income (less deficit).....	(³)	67.3	(³)	66.6
Banking and credit agencies:				
Number of businesses	91.4	69.7	n.a.	58.1
Total receipts.....	99.8	99.7	n.a.	99.3
Net income (less deficit).....	96.0	98.4	96.0	98.0
Security and commodity brokers:				
Number of businesses	14.9	21.8	n.a.	13.8
Total receipts.....	63.0	80.2	n.a.	75.4
Net income (less deficit).....	(³)	43.4	(³)	39.6
Holding and investment companies: ²				
Number of businesses	27.2	33.1	n.a.	26.2
Total receipts.....	74.3	86.4	n.a.	85.4
Net income (less deficit).....	(³)	87.9	(³)	87.8

Trends in Business Structure and Activity, 1980-1990

Figure P

Incorporated Business Activity as a Percentage of Total Business Activity by Selected Industrial Group, Tax Year 1980 Compared to Tax Year 1990--Continued

Selected industrial group	Percent incorporated		Adjusted percent incorporated ¹	
	1980 (1)	1990 (2)	1980 (3)	1990 (4)
Finance, insurance, and real estate--continued				
Insurance:				
Number of businesses	19.1	15.9	n.a.	9.1
Total receipts.....	96.9	97.4	n.a.	95.9
Net income (less deficit).....	76.6	72.5	75.9	69.1
Real estate:				
Number of businesses	19.1	21.4	n.a.	12.1
Total receipts.....	38.6	54.8	n.a.	38.0
Net income (less deficit).....	84.2	17.2	78.9	11.5
Operators and lessors of buildings:				
Number of businesses	26.5	22.3	n.a.	n.a.
Total receipts.....	26.8	47.8	n.a.	n.a.
Net income (less deficit).....	(³)	3.1	(³)	2.7
Subdividers and developers:				
Number of businesses	53.5	42.4	n.a.	n.a.
Total receipts.....	46.2	52.5	n.a.	n.a.
Net income (less deficit).....	50.0	26.6	33.3	20.3
Services:				
Number of businesses	14.1	11.9	11.2	6.1
Total receipts.....	65.3	64.7	59.7	46.5
Net income (less deficit).....	17.4	8.7	16.6	3.4

n.a. - Not available.

¹"Adjusted percent incorporated" represents non-S Corporations as percentages of all businesses.

²Because there are relatively few sole proprietorship Holding and investment companies, separate industry statistics for them are not available for these two years. However, they are included in the totals for Finance; Finance, insurance, and real estate; and All industries. Therefore, the percentages of all businesses that were corporations for this industrial group may be slightly overstated.

³Percentage not computed.

NOTES: The number of businesses, total receipts, business receipts, and net income (less deficit) on which the percentages are based are the combined totals for nonfarm sole proprietorship, partnership, and corporation income tax returns. The latter include consolidated returns filed for groups of affiliated corporations. For additional information about the number of businesses, see footnote 2 of Table 1; for additional information about total receipts, business receipts, and net income (less deficit), see footnote 3 of Table 1.

Figure Q

Total Receipts for Total and Consolidated Corporation Returns, Tax Years 1980-1990

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

Tax year	Number of corporation returns ¹			Total receipts ¹		
	Total (1)	Consolidated returns (2)	Percentage (3)	Total (4)	Consolidated returns (5)	Percentage (6)
1980.....	2,711	58	2.1	6,361	3,810	59.9
1981.....	2,812	62	2.2	7,026	4,397	62.6
1982.....	2,926	73	2.5	7,024	4,424	63.0
1983.....	2,999	74	2.5	7,136	4,468	62.6
1984.....	3,171	80	2.5	7,861	4,956	63.0
1985.....	3,277	80	2.4	8,398	5,354	63.8
1986.....	3,429	82	2.4	8,669	5,458	63.0
1987.....	3,612	80	2.2	9,581	5,996	62.6
1988.....	3,563	74	2.1	10,265	6,423	62.6
1989.....	3,628	74	2.0	10,935	6,886	63.0
1990.....	3,717	72	1.9	11,410	7,058	61.9

¹For additional information about the number of corporation returns and total receipts, see footnotes 2 and 3 of Table 1.

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returns grew steadily. However, their share as a percentage of all corporations peaked in 1982-1984 at 2.5 percent of the corporate population, and, in the post-TRA period, both the number of consolidated returns and their share of the corporate population declined. Receipts on consolidated returns increased annually in the decade, despite the decline in numbers of consolidated returns in the post-TRA period, and despite the offsetting effects of intra-company transactions on the receipts data of the affiliated companies included in consolidated returns.

Consolidated returns are, on average, very large since, despite their relatively small numbers, they account for a very large and relatively stable portion of all corporate activity. Although their shares of the corporate population and corporate receipts declined somewhat since the mid-decade, they continued to account for over 60 percent of total corporate receipts and nearly 56 percent of all business receipts for 1990. The fact that they have declined in number yet continued to grow in terms of business receipts is also evidence of the effects of the mergers and acquisitions among consolidated returns that occurred in the 1980's.

Data Sources and Limitations

The data in this article were compiled from Statistics of Income (SOI) annual studies of corporations (C and S Corporations), partnerships, and nonfarm sole proprietorships for Tax Years 1980-1990. These data are publicly available and are published in a variety of SOI reports [18-22]. They represent weighted estimates of U.S. totals by year for each legal form by industry group. The "value added" of this database is that it combines these types of business for an 11-year period to examine overall changes in the composition of businesses. The basic data are presented in Table 1.

The corporate data include all filers of the Form 1120 series, *U.S. Corporation Income Tax Return*. The data on S Corporations, which were extracted from Form 1120S, *U.S. Income Tax Return for an S Corporation*, are also included in the overall corporation data, but have been deducted to compute amounts for all corporations other than S ("Non-S" or "Other corporations"). Data for sole proprietorships and partnerships are shown separately and have been aggregated to compute an unincorporated business total, and the corporate and unincorporated data have been aggregated into a grand total for all business types.

Limitations of the Database

The SOI studies for each of these forms of business, which are conducted independently, are affected by changes in the Federal tax code, IRS administrative

processing, and the tax forms themselves, as well as resource constraints and changes in statistical processing. Sometimes these changes result in discontinuities in the time series. While efforts have been made to minimize these discontinuities, several remain, some of which have been mentioned already:

- Proprietorship farms, a major portion of farming businesses, are not included in the data because the annual SOI studies were discontinued after Tax Year 1980 in response to budget constraints. For consistency, the farm data for this one year were omitted.
- Beginning with 1987, "portfolio income" distributed directly to partners and net income or loss from partnership rental and other real estate activities was excluded from net income (less deficit) on the Form 1065, *U.S. Partnership Return of Income*. However, efforts were made to recoup these income types to preserve a consistent time series. For S Corporations, a similar circumstance exists, but a similar adjustment was not made for the 1983-1990 data on net income (less deficit), so they are understated by the amounts of these types of income [34]. In addition, since the non-S Corporation data were computed by subtracting the S Corporation data from the corporate total, the non-S Corporation data are consequently overstated by these amounts.
- Corporate mergers, spin-offs, reorganizations, and changes in the number of consolidated returns filed for affiliated corporations (or in the composition of the affiliated groups, themselves), as well as changes in foreign activity, each affect the year-to-year comparability of the data. Not only would the number of businesses be reduced by the growth of consolidated returns for affiliated corporations, but the financial activity could be reduced as well, because of the offsetting effects of inter-company transactions on the receipts data of the affiliates included in the consolidated returns.
- Trends in industry data can be affected when the activities of large businesses that engage in multiple business activities are assigned to a single industrial activity. Reassignment to another activity when the principal activity changes leads to further discontinuities. Businesses are classified on the basis of the single activity that accounts for the largest percentage of their total receipts, and distribution along business lines is not required on the business tax returns.
- Substitution of IRS administrative data for data

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previously processed exclusively for statistical purposes was initiated for sole proprietorships in 1974, for partnerships in 1981, and for corporations in 1985 to improve efficiency and conserve resources. However, some discontinuities in SOI time series were introduced because the administrative processing often did not attempt to locate and statistically process detailed data from supporting schedules or data which had no tax consequence. For example, substitution of administrative data, which began with the 1981 partnership program, resulted in reduced receipts and expense data for partnerships in finance, real estate, and farming because data on the gross income and expenses associated with these activities were not readily available.

Finally, many tax law changes contribute to discontinuities in the data. Some of these affects are direct, while others are secondary. For example, ACRS not only increased the amounts of depreciation deductions that would have otherwise been reported but also lowered net income (less deficit) since depreciation is deducted from gross income in computing net income (less deficit); modifications to ACRS by TRA had an opposite effect on amounts reported for the more recent years. No adjustments were made for such phenomena.

Summary and Conclusions

This analysis of trends in SOI business statistics during the 1980's indicates there were some substantial changes in the overall structure of U.S. business. The most substantial change evidenced was the shift to S Corporations beginning with 1987, the first full year for which the Tax Reform Act of 1986 was in effect, although this was more apparent in the number of businesses than in the financial activity reported on business income tax returns. This shift is consistent with a response by smaller-size corporations to the provisions of TRA, particularly the changes in marginal tax rates which made the individual income tax rates at which S Corporation profits were taxed more attractive. Also, the fact that this change primarily affected smaller corporations is consistent with the restrictions affecting the size of S Corporations.

Although the Economic Recovery Tax Act of 1981 had substantial business provisions, the 1986 Tax Reform Act had the most impact in regard to changes in business structure. So, it is not surprising that shifts in business form, at least to S Corporations by non-S Corporations, were more evident in the post-TRA period. However, the effects of the business cycle, particularly the 1981-82 recession and the volatility in the energy industries, were

also significant and probably had an equal, if not more significant, impact on these data.

Notes and References

- [1] Steuerle, C. Eugene, *The Tax Decade: How Taxes Came to Dominate the Public Agenda*, The Urban Institute Press, 1991.
- [2] Pechman, Joseph A., *Federal Tax Policy*, fifth edition, The Brookings Institution, 1987.
- [3] Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism, Volume 1, Budget Processes and Tax Systems*, Tables 9-10, 1993.
- [4] For more details on each of these major changes to the Federal tax code, see Steuerle, *op. cit.*; Pechman, *op. cit.*; and, Advisory Commission on Intergovernmental Relations, *op. cit.*; also, Scholes, Myron S., and Wolfson, Mark A., *Taxes and Business Strategy: A Planning Approach*, Prentice Hall, 1992; Gordon, Roger H., and Mackie-Mason, Jeffrey K., "Tax Distortions to the Choice of Organizational Form," Working Paper No. 4227, National Bureau of Economic Research, 1992; Nelson, Susan C., "S Corporations: The Record of Growth After Tax Reform," *Journal of S Corporation Taxation*, Fall, 1993, Volume 5, Number 2; Plesko, George A., "Corporate Taxation and the Financial Characteristics of Firms," *Public Finance Quarterly*, (forthcoming); and Petska, Tom, "The Effects of Tax Reform on the Structure of U.S. Business," *1993 Proceedings of the American Statistical Association, Section on Business and Economic Statistics*, 1994.
- [5] Data from Schedule F, *Farm Income and Expenses*, were excluded from the annual SOI study of sole proprietorships beginning with Tax Year 1981. Thus, for consistency with the other years covered in this article, these data were excluded from the proprietorship statistics for 1980.
- [6] Limited partnerships include all partnerships for which the liability of any partner is limited to the amount invested in the business.
- [7] Scholes and Wolfson, *op. cit.*
- [8] Steuerle, *op. cit.* and Advisory Commission on Intergovernmental Relations, *op. cit.*
- [9] Steuerle, *op. cit.* and Pechman, *op. cit.*
- [10] See footnote 8.

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- [11] See footnote 3.
- [12] Steuerle, *op. cit.*
- [13] Internal Revenue Service, *Explanation of the Tax Reform Act of 1986 for Individuals*, Publication 920, 1987. See also footnote 8.
- [14] Birnbaum, Jeffrey H. and Murray, Alan S., *Showdown at Gucci Gulch: Lawmakers, Lobbyists, and the Unlikely Triumph of Tax Reform*, Random House, 1987.
- [15] See footnote 3.
- [16] Petska, Tom, "Partnerships, Partners and Tax Shelters after Tax Reform, 1987-1989," *Statistics of Income Bulletin*, Summer 1992, Volume 12, Number 1.
- [17] Petska, Tom and Nelson, Susan, "Partnerships and Tax Shelters: An Analysis of the Impact of the 1986 Tax Reform," *1990 Proceedings of the American Statistical Association, Section on Survey Research Methods*, 1991.
- [18] Ammon, Craig, "Sole Proprietorships, 1991," *Statistics of Income Bulletin*, Fall 1993, Volume 13, Number 2.
- [19] Wheeler, Timothy D., "Partnership Returns, 1991," *Statistics of Income Bulletin*, Fall 1993, Volume 13, Number 2.
- [20] *Statistics of Income—1990, Individual Income Tax Returns*, 1993.
- [21] *Source Book of Statistics of Income—1990, Corporation Income Tax Returns*, 1993.
- [22] *Statistics of Income—1990, Corporation Income Tax Returns*, 1994.
- [23] Unlike the partnership and nonfarm proprietorship studies, for which the tax returns included are those filed, i.e., processed, in a given calendar year, for the corporation statistics, the returns used are those with specific accounting periods filed over three processing years. For example, the 1990 corporation study included returns with accounting periods that ended in July 1990 through June 1991. For more details, see source in footnote 22.
- [24] Annual growth rates in these computations and throughout this article were computed as follows:

$$G_t = 100 [(\ln X_t - \ln X_{t-n})/n]$$

where

G_t = the annual growth rate in the value of X between periods t and n,

$\ln X_t$ = the natural logarithm of the value of X for period t,

$\ln X_{t-n}$ = the natural logarithm of the value of X for period t-n, and

n = the number of years on which the computation is based.

- [25] Beginning in 1987, S Corporations were required to have accounting periods identical to those of their owners. Since the owners are mostly individuals with calendar year accounting periods, many S Corporations with other accounting periods had to file two returns, one for a part year and one for a full year, in order to convert to calendar year accounting periods and were double-counted in the 1987 statistics for the number of S Corporations (there was no such duplication in the financial data, however).
- [26] Beginning in 1981, the numbers of businesses represent the number of proprietors, rather than the number of proprietorships. See footnote 2d to Table 1 for a more detailed explanation.
- [27] See footnote 24.
- [28] Beginning in 1983, net income (less deficit) for S Corporations excludes taxable income (less deficit) from investments, including capital gains and losses. See footnote 3b to Table 1 for a more detailed explanation.
- [29] See footnote 28.
- [30] Processing changes beginning with 1987 may have contributed to the growth in corporate receipts in finance and real estate. See footnote 3 to Table 1 for additional details.
- [31] See footnote 5.
- [32] S Corporation data on number of businesses and receipts were unavailable for industries below the industrial division level, so an adjusted corporate percentage could not be calculated.
- [33] See footnote 30.
- [34] See footnote 28.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990

(All figures are estimates based on samples—money amounts are in billions of dollars)

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
ALL INDUSTRIES											
Totals											
Number of businesses ^{1, 2}	13,820,211	13,857,712	14,545,660	15,244,531	16,076,714	16,919,395	17,525,167	18,351,300	18,896,336	19,560,585	20,052,917
Total receipts ^{1, 3}	7,064.5	7,725.6	7,754.5	7,892.0	8,751.9	9,305.4	9,626.1	10,634.3	11,477.1	12,178.1	12,705.5
Business receipts ^{1, 3}	6,869.4	7,481.5	7,487.1	7,618.3	8,424.3	8,938.8	9,220.0	10,224.4	10,991.3	11,656.1	12,185.4
Net income (less deficit) ^{1, 3}	302.1	264.0	197.6	246.1	300.2	310.0	342.5	428.3	553.8	535.8	528.6
Corporations											
Number of businesses ²	2,710,538	2,812,420	2,925,933	2,999,071	3,170,743	3,277,219	3,428,515	3,612,133	3,562,789	3,627,863	3,716,650
Total receipts ³	6,361.3	7,026.4	7,024.1	7,135.5	7,860.7	8,398.3	8,669.4	9,580.7	10,264.9	10,935.0	11,409.5
Business receipts ³	6,172.2	6,791.9	6,769.4	6,874.8	7,550.5	8,049.6	8,281.9	9,185.5	9,803.8	10,439.5	10,914.2
Net income (less deficit) ³	239.0	213.6	154.3	188.3	232.9	240.1	269.5	328.2	413.0	389.0	370.6
S Corporations											
Number of businesses ²	545,389	541,489	564,219	648,267	701,339	724,749	826,214	1,127,905	1,257,191	1,422,967	1,575,092
Total receipts ³	210.3	212.5	243.1	300.2	385.0	430.6	484.0	972.2	1,264.0	1,464.0	1,620.7
Business receipts ³	206.4	207.5	236.4	293.5	376.0	420.5	472.8	955.7	1,242.1	1,439.8	1,593.4
Net income (less deficit) ³	2.5	1.9	3.0	5.1	6.9	7.6	8.3	24.2	33.4	32.5	32.3
Other corporations											
Number of businesses ²	2,165,149	2,270,931	2,361,714	2,350,804	2,469,404	2,552,470	2,602,301	2,484,228	2,305,598	2,204,896	2,141,558
Total receipts ³	6,151.0	6,813.9	6,781.0	6,835.3	7,475.7	7,967.7	8,185.4	8,608.5	9,000.9	9,471.0	9,788.8
Business receipts ³	5,965.8	6,584.4	6,533.0	6,581.3	7,174.5	7,629.1	7,809.1	8,229.8	8,561.7	8,999.7	9,320.8
Net income (less deficit) ³	236.5	211.7	151.3	183.2	226.0	232.5	261.2	304.0	379.6	356.5	338.3
Unincorporated businesses											
Number of businesses.....	11,109,673	11,045,292	11,619,727	12,245,460	12,905,971	13,642,176	14,096,652	14,739,167	15,333,547	15,932,722	16,336,267
Total receipts.....	703.2	699.2	730.4	756.5	891.2	907.1	956.7	1,053.6	1,212.2	1,243.1	1,296.0
Business receipts.....	697.2	689.6	717.7	743.5	873.8	889.2	938.1	1,038.9	1,187.5	1,216.6	1,271.2
Net income (less deficit).....	63.1	50.4	43.3	57.8	67.3	69.9	73.0	100.1	140.8	146.8	158.0
Partnerships											
Number of businesses ²	1,379,654	1,460,502	1,514,212	1,541,539	1,643,581	1,713,603	1,702,952	1,648,035	1,654,245	1,635,164	1,553,529
Total receipts ³	292.0	272.1	296.7	291.3	375.2	367.1	397.3	442.8	540.2	550.3	565.4
Business receipts ³	286.0	262.5	284.0	278.3	357.8	349.2	378.7	428.1	515.5	523.8	540.6
Net income (less deficit) ³	8.2	-2.7	-7.3	-2.6	-3.5	-8.9	-17.4	-5.4	14.5	14.1	16.6
Nonfarm proprietorships											
Number of businesses ²	9,730,019	9,584,790	10,105,515	10,703,921	11,262,390	11,928,573	12,393,700	13,091,132	13,679,302	14,297,558	14,782,738
Total receipts ³	411.2	427.1	433.7	465.2	516.0	540.0	559.4	610.8	672.0	692.8	730.6
Business receipts ³	411.2	427.1	433.7	465.2	516.0	540.0	559.4	610.8	672.0	692.8	730.6
Net income (less deficit) ³	54.9	53.1	50.6	60.4	70.8	78.8	90.4	105.5	126.3	132.7	141.4

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
AGRICULTURE, FORESTRY, AND FISHING											
Totals											
Number of businesses ²	514,835	466,839	518,200	532,231	560,591	558,064	578,424	626,093	593,194	596,552	614,192
Total receipts ³	81.8	79.5	81.8	77.8	85.8	91.8	98.0	102.4	114.4	112.9	118.7
Business receipts ³	76.9	72.9	74.3	71.0	78.7	83.8	89.5	93.1	104.9	103.6	108.8
Net income (less deficit) ³	2.0	0.4	-0.2	0.8	0.4	-0.2	1.4	5.6	4.8	5.1	5.3
Corporations											
Number of businesses ²	80,883	85,370	91,320	92,125	98,361	103,156	106,634	116,544	119,902	123,195	126,423
Total receipts ³	52.1	65.1	65.4	59.2	66.6	70.5	77.5	77.1	86.3	86.6	88.1
Business receipts ³	48.9	60.9	60.6	55.1	62.1	65.4	71.8	71.8	80.5	81.2	82.1
Net income (less deficit) ³	0.7	0.3	-0.1	-0.2	0.2	-0.1	1.1	1.6	1.6	1.6	1.2
S Corporations											
Number of businesses ²	31,732	26,611	27,648	28,445	32,995	32,258	34,671	46,796	49,761	52,349	54,971
Total receipts ³	8.4	9.6	11.1	9.3	11.9	13.2	16.5	21.3	25.2	26.7	26.1
Business receipts ³	7.8	8.9	10.1	8.7	11.1	12.3	15.4	20.4	23.8	25.2	24.8
Net income (less deficit) ³	-0.1	-0.1	-0.2	-0.5	-0.3	-0.4	-0.2	-(⁴)	0.1	(⁴)	-0.1
Other corporations											
Number of businesses ²	49,151	58,759	63,672	63,680	65,366	70,898	71,963	69,748	70,141	70,846	71,452
Total receipts ³	43.7	55.5	54.3	49.9	54.7	57.3	61.0	55.8	61.1	59.9	62.0
Business receipts ³	41.1	52.0	50.5	46.4	51.0	53.1	56.4	51.4	56.7	56.0	57.3
Net income (less deficit) ³	0.8	0.4	0.1	0.3	0.5	0.3	1.3	1.6	1.5	1.6	1.3
Unincorporated businesses											
Number of businesses.....	433,952	381,469	426,880	440,106	462,230	454,908	471,790	509,549	473,292	473,357	487,769
Total receipts.....	29.7	14.4	16.4	18.6	19.2	21.3	20.5	25.3	28.1	26.3	30.6
Business receipts.....	28.0	12.0	13.7	15.9	16.6	18.4	17.7	21.3	24.4	22.4	26.7
Net income (less deficit).....	1.3	0.1	-0.1	1.0	0.2	-0.1	0.3	4.0	3.2	3.5	4.1
Partnerships											
Number of businesses ²	126,224	124,973	132,997	136,603	139,306	135,909	147,532	148,895	122,048	131,057	125,029
Total receipts ³	23.3	7.4	7.7	8.6	8.5	9.4	8.9	10.8	12.7	11.6	13.4
Business receipts ³	21.6	5.0	5.0	5.9	5.9	6.5	6.1	6.8	9.0	7.7	9.5
Net income (less deficit) ³	0.5	-0.7	-0.7	-0.1	-0.7	-1.0	-0.9	2.0	1.1	1.4	1.7
Nonfarm proprietorships											
Number of businesses ²	307,728	256,496	293,883	303,503	322,924	318,999	324,258	360,654	351,244	342,300	362,740
Total receipts ³	6.4	7.0	8.7	10.0	10.7	11.9	11.6	14.5	15.4	14.7	17.2
Business receipts ³	6.4	7.0	8.7	10.0	10.7	11.9	11.6	14.5	15.4	14.7	17.2
Net income (less deficit) ³	0.8	0.8	0.6	1.1	0.9	0.9	1.2	2.0	2.1	2.1	2.4

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MINING											
Totals											
Number of businesses ^{1, 2}	180,415	208,517	230,701	249,459	250,557	279,806	253,314	260,839	229,242	242,068	212,717
Total receipts ³	199.3	227.6	234.7	164.1	158.8	177.9	123.6	120.7	127.1	131.6	141.8
Business receipts ³	189.2	215.3	220.6	151.8	142.8	159.1	108.8	107.7	110.4	114.2	124.7
Net income (less deficit) ³	3.9	-4.7	-8.6	-5.4	0.1	-0.5	-7.3	-1.4	5.0	5.6	8.2
Corporations											
Number of businesses ²	25,576	33,363	36,676	37,066	40,564	41,426	40,354	42,050	41,080	41,631	39,674
Total receipts ³	176.7	200.2	203.1	132.4	123.5	142.0	98.6	96.8	100.4	102.4	111.4
Business receipts ³	167.4	189.6	191.2	122.5	111.0	126.7	86.9	85.8	87.4	88.0	97.3
Net income (less deficit) ³	7.8	5.6	0.5	-1.6	-0.4	-2.5	-3.1	0.3	4.1	3.1	5.3
S Corporations											
Number of businesses ²	5,198	6,670	6,735	8,404	9,015	9,561	10,197	13,734	13,344	15,323	16,030
Total receipts ³	5.2	5.3	4.7	3.7	5.6	4.5	4.6	7.5	8.2	10.4	11.1
Business receipts ³	5.0	5.1	4.3	3.4	5.1	4.0	4.1	7.0	7.8	9.7	10.3
Net income (less deficit) ³	0.1	-0.1	-0.1	-0.2	-0.1	-(⁴)	0.1	0.6	0.3	0.4	0.8
Other corporations											
Number of businesses ²	20,378	26,493	29,941	28,662	31,549	31,865	30,157	28,316	27,736	26,308	23,644
Total receipts ³	171.5	194.9	198.4	128.7	117.9	137.5	94.0	89.3	92.2	92.0	100.3
Business receipts ³	162.4	184.5	186.9	119.1	105.9	122.7	82.8	78.8	79.6	78.3	87.0
Net income (less deficit) ³	7.7	5.7	0.6	-1.4	-0.3	-2.5	-3.2	-0.3	3.8	2.7	4.5
Unincorporated businesses											
Number of businesses.....	154,839	175,154	194,025	212,393	209,993	238,380	212,960	218,789	188,162	200,437	173,043
Total receipts.....	22.6	27.4	31.6	31.7	35.3	35.9	25.0	23.9	26.7	29.2	30.4
Business receipts.....	21.8	25.7	29.4	29.3	31.8	32.4	21.9	21.9	23.0	26.2	27.4
Net income (less deficit).....	-3.9	-10.3	-9.1	-3.8	0.5	2.0	-4.2	-1.7	0.9	2.5	2.9
Partnerships											
Number of businesses ²	35,076	51,368	55,766	59,596	56,548	62,363	53,142	59,925	48,134	45,537	40,904
Total receipts ³	14.0	17.0	19.8	19.5	22.1	23.4	17.8	17.3	19.7	22.7	23.0
Business receipts ³	13.2	15.3	17.6	17.1	18.6	19.9	14.7	15.3	16.0	19.7	20.0
Net income (less deficit) ³	-4.2	-10.1	-8.8	-4.1	0.1	1.5	-3.5	-1.4	0.9	2.0	2.2
Nonfarm proprietorships											
Number of businesses ²	119,763	123,786	138,259	152,797	153,445	176,017	159,818	158,864	140,028	154,900	132,139
Total receipts ³	8.6	10.4	11.8	12.2	13.2	12.5	7.2	6.6	7.0	6.5	7.4
Business receipts ³	8.6	10.4	11.8	12.2	13.2	12.5	7.2	6.6	7.0	6.5	7.4
Net income (less deficit) ³	0.3	-0.2	-0.3	0.3	0.4	0.5	-0.7	-0.3	-(⁴)	0.5	0.7

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MINING: OIL AND GAS EXTRACTION											
Totals											
Number of businesses ²	153,925	179,611	205,288	225,268	227,965	252,033	229,433	232,123	208,962	221,940	194,746
Total receipts ³	161.9	189.3	199.8	130.6	120.2	134.0	78.2	76.3	78.9	80.8	90.9
Business receipts ³	153.8	179.2	187.7	120.2	106.9	117.9	67.2	67.3	66.6	67.2	77.6
Net income (less deficit) ³	3.3	-3.9	-6.5	-4.4	0.7	0.9	-7.1	-3.0	1.3	3.9	6.5
Corporations											
Number of businesses ²	17,393	24,727	27,876	28,984	30,948	33,635	30,899	31,694	31,441	31,899	31,415
Total receipts ³	144.4	166.9	172.8	103.6	90.0	103.2	57.4	56.9	57.0	59.0	65.9
Business receipts ³	137.0	158.4	162.8	95.5	80.0	90.3	49.1	49.7	48.0	48.2	55.4
Net income (less deficit) ³	6.6	5.5	1.4	-1.2	-0.5	-1.9	-3.8	-1.5	0.9	1.7	3.9
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,493
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.8
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.3
Net income (less deficit) ³	0.1	-0.1	-0.2	-0.2	-0.1	-(⁴)	-(⁴)	0.5	-(⁴)	-(⁴)	0.6
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	18,922
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	61.1
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	51.1
Net income (less deficit) ³	6.5	5.6	1.6	-1.0	-0.4	-1.9	-3.8	-2.0	0.9	1.7	3.3
Unincorporated businesses											
Number of businesses.....	136,532	154,884	177,412	196,284	197,017	218,398	198,534	200,429	177,521	190,041	163,331
Total receipts.....	17.5	22.4	27.0	27.0	30.2	30.8	20.8	19.4	21.9	21.8	25.0
Business receipts.....	16.8	20.8	24.9	24.7	26.9	27.6	18.1	17.6	18.6	19.0	22.2
Net income (less deficit).....	-3.3	-9.4	-7.9	-3.2	1.2	2.8	-3.3	-1.5	0.4	2.2	2.6
Partnerships											
Number of businesses ²	31,405	47,107	50,837	56,172	50,980	55,816	48,821	53,542	45,306	42,526	38,602
Total receipts ³	10.0	12.6	15.8	15.5	17.5	18.8	13.7	13.0	15.1	15.6	17.9
Business receipts ³	9.3	11.0	13.7	13.2	14.2	15.6	11.0	11.2	11.8	12.8	15.1
Net income (less deficit) ³	-3.7	-9.4	-7.7	-3.5	0.8	2.3	-2.7	-1.3	0.5	1.7	2.0
Nonfarm proprietorships											
Number of businesses ²	105,127	107,777	126,575	140,112	146,037	162,582	149,713	146,887	132,215	147,515	124,729
Total receipts ³	7.5	9.8	11.2	11.5	12.7	12.0	7.1	6.4	6.8	6.2	7.1
Business receipts ³	7.5	9.8	11.2	11.5	12.7	12.0	7.1	6.4	6.8	6.2	7.1
Net income (less deficit) ³	0.4	-(⁴)	-0.2	0.3	0.4	0.5	-0.6	-0.2	-0.1	0.5	0.6

Footnotes at end of table.

Trends in Business Structure and Activity, 1980-1990

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
CONSTRUCTION											
Totals											
Number of businesses ²	1,412,323	1,444,055	1,550,979	1,620,330	1,757,612	1,828,703	1,979,918	2,069,316	2,151,923	2,212,173	2,248,468
Total receipts ³	333.8	344.9	349.4	365.5	428.7	480.3	527.6	571.0	628.6	649.6	665.5
Business receipts ³	326.6	334.8	338.8	354.3	416.3	466.9	513.7	558.1	613.5	635.9	652.5
Net income (less deficit) ³	14.4	11.5	10.3	11.8	15.2	17.7	21.1	26.0	31.1	28.5	25.1
Corporations											
Number of businesses ²	272,432	276,395	282,345	283,519	306,906	318,276	341,816	371,169	381,499	393,103	406,874
Total receipts ³	267.2	280.2	281.7	290.8	338.6	387.2	412.5	454.8	499.7	517.5	534.7
Business receipts ³	260.4	270.5	271.6	280.9	326.8	374.6	399.4	442.5	485.7	504.9	522.6
Net income (less deficit) ³	5.3	3.5	2.3	2.3	2.9	4.4	5.8	8.7	11.3	8.7	6.8
S Corporations											
Number of businesses ²	57,533	56,341	57,289	62,888	70,787	68,392	79,452	115,705	122,551	140,629	158,045
Total receipts ³	23.5	23.1	24.6	27.3	35.7	41.3	47.9	98.1	130.1	144.3	166.9
Business receipts ³	23.1	22.5	23.9	26.6	34.8	40.3	46.8	96.7	128.5	142.4	165.1
Net income (less deficit) ³	0.4	0.3	0.5	0.6	0.9	1.1	1.4	3.4	4.9	4.7	4.7
Other corporations											
Number of businesses ²	214,899	220,054	225,056	220,631	236,119	249,884	262,364	255,464	258,948	252,474	248,829
Total receipts ³	243.7	257.1	257.1	263.5	302.9	345.9	364.6	356.7	369.6	373.2	367.8
Business receipts ³	237.3	248.0	247.7	254.3	292.0	334.3	352.6	345.8	357.2	362.5	357.5
Net income (less deficit) ³	4.9	3.2	1.8	1.7	2.0	3.3	4.4	5.3	6.4	4.0	2.1
Unincorporated businesses											
Number of businesses.....	1,139,891	1,167,660	1,268,634	1,336,811	1,450,706	1,510,427	1,638,102	1,698,147	1,770,424	1,819,070	1,841,594
Total receipts.....	66.6	64.7	67.7	74.7	90.1	93.1	115.1	116.2	128.9	132.1	130.8
Business receipts.....	66.2	64.3	67.2	73.4	89.5	92.3	114.3	115.6	127.8	131.0	129.9
Net income (less deficit).....	9.1	8.0	8.0	9.5	12.3	13.3	15.3	17.3	19.8	19.8	18.3
Partnerships											
Number of businesses ²	66,590	69,856	65,762	63,592	64,607	56,665	61,425	62,403	74,559	61,950	59,469
Total receipts ³	18.8	17.0	18.6	22.9	23.8	22.3	27.6	26.9	32.1	31.2	31.6
Business receipts ³	18.4	16.6	18.1	21.6	23.2	21.5	26.8	26.3	31.0	30.1	30.7
Net income (less deficit) ³	1.6	1.2	1.4	2.2	2.2	2.2	2.5	2.8	3.3	2.6	1.9
Nonfarm proprietorships											
Number of businesses ²	1,073,301	1,097,804	1,202,872	1,273,219	1,386,099	1,453,762	1,576,677	1,635,744	1,695,865	1,757,120	1,782,125
Total receipts ³	47.8	47.7	49.1	51.8	66.3	70.8	87.5	89.3	96.8	100.9	99.2
Business receipts ³	47.8	47.7	49.1	51.8	66.3	70.8	87.5	89.3	96.8	100.9	99.2
Net income (less deficit) ³	7.5	6.8	6.6	7.3	10.1	11.1	12.8	14.5	16.5	17.2	16.4

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MANUFACTURING											
Totals											
Number of businesses ²	568,852	539,090	531,638	618,903	621,762	632,972	641,864	689,092	680,208	758,739	709,857
Total receipts ³	2,434.8	2,641.7	2,513.4	2,582.7	2,805.3	2,871.1	2,853.0	3,193.5	3,413.9	3,613.8	3,777.5
Business receipts ³	2,331.2	2,515.5	2,382.8	2,447.9	2,645.5	2,695.8	2,656.3	2,998.0	3,181.8	3,356.7	3,521.3
Net income (less deficit) ³	126.9	117.8	75.9	95.7	121.5	114.0	102.8	148.4	208.9	185.1	175.1
Corporations											
Number of businesses ²	242,550	251,294	259,106	261,927	272,050	276,545	285,119	294,211	299,538	301,346	301,669
Total receipts ³	2,404.3	2,613.5	2,488.3	2,552.8	2,768.2	2,831.1	2,810.7	3,141.4	3,349.0	3,531.2	3,688.7
Business receipts ³	2,301.1	2,487.7	2,358.0	2,418.3	2,609.0	2,656.3	2,614.5	2,946.7	3,118.1	3,276.0	3,434.1
Net income (less deficit) ³	125.7	116.8	75.8	95.3	121.2	113.8	101.8	145.5	205.1	180.5	171.4
S Corporations											
Number of businesses ²	40,263	40,509	41,721	46,876	50,195	50,171	57,945	83,980	94,395	105,874	113,289
Total receipts ³	25.7	25.2	33.3	44.3	60.1	69.1	74.9	178.8	232.6	273.5	297.4
Business receipts ³	25.4	24.8	32.7	43.6	59.0	67.9	73.6	176.5	229.2	269.7	293.4
Net income (less deficit) ³	0.7	0.5	1.3	2.2	3.1	3.7	3.7	8.4	10.9	11.4	11.8
Other corporations											
Number of businesses ²	202,287	210,785	217,385	215,051	221,855	226,374	227,174	210,231	205,143	195,472	188,380
Total receipts ³	2,378.6	2,588.3	2,455.0	2,508.5	2,708.1	2,762.0	2,735.8	2,962.6	3,116.4	3,257.7	3,391.3
Business receipts ³	2,275.7	2,462.9	2,325.3	2,374.7	2,550.0	2,588.4	2,540.9	2,770.2	2,888.9	3,006.3	3,140.7
Net income (less deficit) ³	125.0	116.3	74.5	93.1	118.1	110.1	98.1	137.1	194.2	169.1	159.6
Unincorporated businesses											
Number of businesses.....	326,302	287,796	272,532	356,976	349,712	356,427	356,745	394,881	380,670	457,393	408,188
Total receipts.....	30.5	28.2	25.1	29.9	37.1	40.0	42.3	52.1	64.9	82.6	88.8
Business receipts.....	30.1	27.8	24.8	29.6	36.5	39.5	41.8	51.3	63.7	80.7	87.2
Net income (less deficit).....	1.2	1.0	0.1	0.4	0.3	0.2	1.0	2.9	3.8	4.6	3.7
Partnerships											
Number of businesses ²	30,086	30,306	23,190	26,451	29,606	29,980	27,507	34,671	25,885	26,263	28,285
Total receipts ³	15.7	14.6	15.1	14.5	18.9	23.1	22.7	33.2	44.9	57.2	67.0
Business receipts ³	15.3	14.2	14.8	14.2	18.3	22.6	22.2	32.4	43.7	55.3	65.4
Net income (less deficit) ³	-0.5	-0.4	-0.8	-0.7	-1.1	-1.1	-0.5	0.8	1.5	1.4	1.2
Nonfarm proprietorships											
Number of businesses ²	296,216	257,490	249,342	330,525	320,106	326,447	329,238	360,210	354,785	431,130	379,903
Total receipts ³	14.8	13.6	10.0	15.4	18.2	16.9	19.6	18.9	20.0	25.4	21.8
Business receipts ³	14.8	13.6	10.0	15.4	18.2	16.9	19.6	18.9	20.0	25.4	21.8
Net income (less deficit) ³	1.7	1.4	0.9	1.1	1.4	1.3	1.5	2.1	2.3	3.2	2.5

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
TRANSPORTATION, COMMUNICATION, AND PUBLIC UTILITIES											
Totals											
Number of businesses ²	570,536	564,817	585,449	625,933	721,087	708,958	735,341	825,514	768,259	801,543	800,172
Total receipts ³	549.9	626.8	661.8	690.3	766.0	810.0	802.8	836.2	892.3	965.8	1,003.6
Business receipts ³	533.3	603.7	635.3	660.4	732.9	771.1	757.9	786.1	831.5	901.6	938.3
Net income (less deficit) ³	22.2	-21.5	-19.1	21.1	30.2	24.4	22.2	37.4	48.7	41.7	39.4
Corporations											
Number of businesses ²	111,324	109,127	115,470	122,567	128,184	138,337	138,428	147,893	149,248	156,037	160,353
Total receipts ³	523.8	598.5	632.3	657.4	725.6	772.4	762.2	786.2	838.8	906.5	936.3
Business receipts ³	507.4	575.6	606.0	627.8	693.1	733.9	717.9	736.6	779.6	844.1	874.1
Net income (less deficit) ³	20.0	19.6	18.3	19.5	28.9	25.1	21.8	37.5	46.9	39.1	35.4
S Corporations											
Number of businesses ²	26,047	25,154	29,940	34,231	36,675	38,005	40,705	55,722	56,783	62,230	63,957
Total receipts ³	8.3	7.7	10.0	12.5	14.6	17.6	19.3	36.2	43.9	53.2	60.3
Business receipts ³	8.1	7.4	9.7	12.1	14.0	16.9	18.6	35.3	42.8	52.1	59.1
Net income (less deficit) ³	-0.1	-0.3	-0.3	-0.2	-0.1	-0.1	-0.2	0.3	0.4	-0.1	-0.2
Other corporations											
Number of businesses ²	85,277	83,973	85,530	88,336	91,509	100,332	97,723	92,171	92,465	93,807	96,396
Total receipts ³	515.5	590.8	622.3	644.9	711.0	754.8	742.9	750.0	794.9	853.3	876.0
Business receipts ³	499.3	568.2	596.3	615.7	679.1	717.0	699.3	701.3	736.8	792.0	815.0
Net income (less deficit) ³	20.1	19.9	18.6	19.7	29.0	25.2	22.0	37.2	46.5	39.2	35.6
Unincorporated businesses											
Number of businesses.....	459,212	455,690	469,979	503,366	592,903	570,621	596,913	677,621	619,011	645,506	639,819
Total receipts.....	26.1	28.3	29.5	32.9	40.4	37.6	40.6	50.0	53.5	59.3	67.3
Business receipts.....	25.9	28.1	29.3	32.6	39.8	37.2	40.0	49.5	51.9	57.5	64.2
Net income (less deficit).....	2.2	1.9	0.8	1.6	1.3	-0.7	0.4	-0.1	1.8	2.6	4.0
Partnerships											
Number of businesses ²	20,417	21,711	18,448	20,132	20,578	24,970	21,059	29,843	20,421	22,460	25,180
Total receipts ³	6.1	6.4	6.8	7.5	11.3	11.7	13.2	20.3	23.2	28.5	35.9
Business receipts ³	5.9	6.2	6.6	7.2	10.7	11.3	12.6	19.8	21.6	26.7	32.8
Net income (less deficit) ³	0.2	-0.2	-0.8	-0.7	-2.0	-3.1	-3.0	-3.8	-2.3	-2.0	-0.1
Nonfarm proprietorships											
Number of businesses ²	438,795	433,979	451,531	483,234	572,325	545,651	575,854	647,778	598,590	623,046	614,639
Total receipts ³	20.0	21.9	22.7	25.4	29.1	25.9	27.4	29.7	30.3	30.8	31.4
Business receipts ³	20.0	21.9	22.7	25.4	29.1	25.9	27.4	29.7	30.3	30.8	31.4
Net income (less deficit) ³	2.0	2.1	1.6	2.3	3.3	2.4	3.4	3.7	4.1	4.6	4.1

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990--Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
TRANSPORTATION, COMMUNICATION, AND PUBLIC UTILITIES:											
COMMUNICATION											
Totals											
Number of businesses ²	17,732	17,436	25,029	26,700	28,974	48,204	44,009	52,109	49,990	61,583	56,099
Total receipts ³	103.9	117.8	132.0	142.4	157.9	181.1	201.1	212.4	234.3	267.1	279.8
Business receipts ³	101.8	115.0	128.3	137.3	150.1	171.6	188.5	198.3	215.9	246.6	254.3
Net income (less deficit) ³	7.3	7.5	7.1	5.8	6.8	8.0	9.7	10.5	13.7	12.7	13.1
Corporations											
Number of businesses ²	10,409	10,915	12,634	13,549	13,919	15,630	15,801	16,109	15,535	17,937	17,515
Total receipts ³	103.3	116.7	130.4	140.7	154.8	176.5	194.9	202.9	221.3	252.0	259.7
Business receipts ³	101.2	114.0	126.8	135.8	147.1	167.2	182.6	189.1	203.8	232.3	237.7
Net income (less deficit) ³	7.3	7.7	7.5	6.3	8.1	9.6	12.1	13.6	16.1	14.8	14.8
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8,227
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.4
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.1
Net income (less deficit) ³	-(⁴)	-0.1	-0.1	-(⁴)	-0.1	-0.2	-0.2	-0.2	-0.3	-0.7	-0.7
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9,288
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	253.3
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	231.6
Net income (less deficit) ³	7.3	7.8	7.6	6.3	8.2	9.8	12.3	13.8	16.4	15.5	15.5
Unincorporated businesses											
Number of businesses.....	7,323	6,521	12,395	13,151	15,055	32,574	28,208	36,000	34,455	43,646	38,584
Total receipts.....	0.6	1.1	1.6	1.7	3.1	4.6	6.2	9.5	13.0	15.1	20.1
Business receipts.....	0.6	1.0	1.5	1.5	3.0	4.4	5.9	9.2	12.1	14.3	16.6
Net income (less deficit).....	-(⁴)	-0.2	-0.4	-0.5	-1.3	-1.6	-2.4	-3.1	-2.4	-2.1	-1.7
Partnerships											
Number of businesses ²	1,811	2,056	2,420	3,530	3,892	4,745	5,551	6,435	2,808	8,338	6,357
Total receipts ³	0.5 ⁶	0.8 ⁶	1.2	1.5	2.7 ⁶	3.7	5.5	8.5	11.2	14.0	18.9
Business receipts ³	0.5	0.7	1.1	1.3	2.6	3.5	5.2	8.2	10.3	13.2	15.4
Net income (less deficit) ³	-(⁴)	-0.2	-0.4	-0.6	-1.4	-1.7	-2.5	-3.2	-2.7	-2.3	-1.9
Nonfarm proprietorships											
Number of businesses ²	5,512	4,465	9,975	9,621	11,163	27,829	22,657	29,565	31,647	35,308	32,227
Total receipts ³	0.1	0.3	0.4	0.2	0.4	0.9	0.7	1.0	1.8	1.1	1.2
Business receipts ³	0.1	0.3	0.4	0.2	0.4	0.9	0.7	1.0	1.8	1.1	1.2
Net income (less deficit) ³	-(⁴)	(⁴)	(⁴)	0.1	0.1	0.1	0.1	0.1	0.3	0.2	0.2

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
WHOLESALE AND RETAIL TRADE											
Totals											
Number of businesses ^{1, 2, ...}	3,526,985	3,487,539	3,531,282	3,460,777	3,462,203	3,407,029	3,331,949	3,525,035	3,577,902	3,624,631	3,849,191
Total receipts ^{1, 3, ...}	2,224.3	2,309.1	2,284.7	2,375.8	2,577.0	2,749.4	2,809.4	3,054.6	3,293.2	3,511.0	3,658.5
Business receipts ^{1, 3, ...}	2,187.4	2,266.0	2,238.4	2,326.9	2,519.1	2,682.7	2,733.5	2,978.2	3,204.9	3,419.2	3,564.7
Net income (less deficit) ^{1, 3, ...}	50.2	43.0	36.6	44.9	51.4	43.4	47.2	51.9	59.4	52.2	46.8
Corporations											
Number of businesses ^{2, ...}	799,628	816,836	839,547	851,785	896,524	917,301	939,159	971,758	984,553	1,012,980	1,023,057
Total receipts ^{3, ...}	1,955.5	2,039.6	2,017.7	2,119.4	2,307.6	2,473.9	2,547.4	2,766.7	2,978.0	3,184.9	3,309.0
Business receipts ^{3, ...}	1,919.3	1,997.3	1,972.3	2,071.3	2,250.8	2,408.2	2,472.5	2,691.3	2,891.3	3,094.8	3,216.9
Net income (less deficit) ^{3, ...}	38.3	33.3	28.4	35.3	42.0	33.1	34.9	38.0	42.8	36.2	30.1
S Corporations											
Number of businesses ^{2, ...}	181,586	173,353	177,063	193,695	205,114	209,129	236,451	327,354	355,292	383,772	419,833
Total receipts ^{3, ...}	108.2	106.5	118.3	148.1	189.5	210.4	231.6	477.7	623.7	721.2	777.9
Business receipts ^{3, ...}	106.8	105.0	116.4	146.1	187.0	207.4	227.9	471.0	614.5	711.3	768.1
Net income (less deficit) ^{3, ...}	0.9	0.8	1.3	1.9	2.4	2.6	2.5	7.2	10.3	9.2	9.0
Other corporations											
Number of businesses ^{2, ...}	618,042	643,483	662,484	658,090	691,410	708,172	702,708	644,404	629,261	629,208	603,224
Total receipts ^{3, ...}	1,847.3	1,933.1	1,899.4	1,971.3	2,118.1	2,263.5	2,315.8	2,289.0	2,354.3	2,463.7	2,531.1
Business receipts ^{3, ...}	1,812.5	1,892.3	1,855.9	1,925.2	2,063.8	2,200.8	2,244.6	2,220.3	2,276.8	2,383.5	2,448.8
Net income (less deficit) ^{3, ...}	37.4	32.5	27.1	33.4	39.6	30.5	32.4	30.8	32.5	27.0	21.1
Unincorporated businesses											
Number of businesses	2,727,357	2,670,703	2,691,735	2,608,992	2,565,679	2,489,728	2,442,790	2,553,277	2,593,349	2,611,651	2,826,134
Total receipts	268.8	269.5	267.0	256.4	269.4	275.5	262.0	287.9	315.2	326.1	349.5
Business receipts	268.1	268.7	266.1	255.6	268.3	274.5	261.0	286.9	313.6	324.4	347.8
Net income (less deficit)	11.9	9.7	8.2	9.6	9.4	10.3	12.3	13.9	16.6	16.0	16.7
Partnerships											
Number of businesses ^{2, ...}	200,273	216,808	205,142	194,360	184,841	200,532	174,118	184,797	179,688	173,179	175,939
Total receipts ^{3, ...}	66.5	71.2	70.6	60.7	73.4	70.1	69.5	71.6	85.2	92.0	99.8
Business receipts ^{3, ...}	65.8	70.4	69.7	59.9	72.3	69.1	68.5	70.6	83.6	90.3	98.1
Net income (less deficit) ^{3, ...}	2.5	1.3	1.6	1.5	1.7	2.0	2.3	2.7	3.4	2.5	2.6
Nonfarm proprietorships											
Number of businesses ^{2, ...}	2,527,084	2,453,895	2,486,593	2,414,632	2,380,838	2,289,196	2,268,672	2,368,480	2,413,661	2,438,472	2,650,195
Total receipts ^{3, ...}	202.3	198.3	196.4	195.7	196.0	205.4	192.5	216.3	230.0	234.1	249.7
Business receipts ^{3, ...}	202.3	198.3	196.4	195.7	196.0	205.4	192.5	216.3	230.0	234.1	249.7
Net income (less deficit) ^{3, ...}	9.4	8.4	6.6	8.1	7.7	8.3	10.0	11.2	13.2	13.5	14.1

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
WHOLESALE AND RETAIL TRADE: WHOLESALE TRADE											
Totals											
Number of businesses ²	643,210	647,462	589,943	510,973	549,576	617,692	640,984	675,058	661,635	665,953	749,143
Total receipts ³	1,194.5	1,206.3	1,133.5	1,122.2	1,215.6	1,271.4	1,255.5	1,396.0	1,497.7	1,610.3	1,713.3
Business receipts ³	1,175.5	1,184.5	1,111.5	1,099.6	1,188.1	1,242.1	1,222.7	1,363.0	1,461.0	1,570.6	1,673.1
Net income (less deficit) ³	30.7	25.4	18.8	20.9	26.3	19.0	20.1	22.1	28.0	23.7	20.3
Corporations											
Number of businesses ²	281,062	279,003	285,615	283,602	303,614	309,935	314,115	316,571	315,272	320,971	328,851
Total receipts ³	1,123.1	1,141.4	1,069.3	1,078.5	1,157.2	1,216.5	1,202.4	1,337.4	1,432.7	1,543.8	1,629.5
Business receipts ³	1,104.4	1,119.8	1,047.6	1,056.2	1,130.1	1,187.6	1,170.0	1,304.7	1,396.3	1,504.4	1,589.7
Net income (less deficit) ³	26.7	22.7	16.6	19.3	24.3	16.0	16.8	17.8	22.9	18.8	14.0
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	109,233
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	344.9
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	341.3
Net income (less deficit) ³	0.8	0.8	1.2	1.4	1.7	2.0	2.4	5.0	7.4	7.1	6.7
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	219,618
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,284.6
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,248.4
Net income (less deficit) ³	25.9	21.9	15.4	17.9	22.6	14.0	14.4	12.8	15.5	11.7	7.3
Unincorporated businesses											
Number of businesses.....	362,148	368,459	304,328	227,371	245,962	307,757	326,869	358,487	346,363	344,982	420,292
Total receipts.....	71.4	64.9	64.2	43.7	58.4	54.9	53.1	58.6	65.0	66.5	83.8
Business receipts.....	71.1	64.7	63.9	43.4	58.0	54.5	52.7	58.3	64.7	66.2	83.4
Net income (less deficit).....	4.0	2.7	2.2	1.6	2.0	3.0	3.3	4.3	5.1	4.9	6.3
Partnerships											
Number of businesses ²	32,394	30,309	27,369	24,115	21,359	26,796	22,672	19,925	11,543	16,224	20,562
Total receipts ³	28.7	29.8	30.5	17.5	28.6	23.9	24.7	23.2	26.0	29.6	37.1
Business receipts ³	28.4	29.6	30.2	17.2	28.2	23.5	24.3	22.9	25.7	29.3	36.7
Net income (less deficit) ³	0.9	0.4	0.3	0.3	0.4	0.5	0.6	0.8	0.8	0.5	1.0
Nonfarm proprietorships											
Number of businesses ²	329,754	338,150	276,959	203,256	224,603	280,961	304,197	338,562	334,820	328,758	399,730
Total receipts ³	42.7	35.1	33.7	26.2	29.8	31.0	28.4	35.4	39.0	36.9	46.7
Business receipts ³	42.7	35.1	33.7	26.2	29.8	31.0	28.4	35.4	39.0	36.9	46.7
Net income (less deficit) ³	3.1	2.3	1.9	1.3	1.6	2.5	2.7	3.5	4.3	4.4	5.3

Footnotes at end of table.

Trends in Business Structure and Activity, 1980-1990

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
WHOLESALE AND RETAIL TRADE: RETAIL TRADE											
Totals											
Number of businesses ²	2,748,928	2,728,334	2,849,083	2,830,202	2,764,089	2,732,542	2,658,462	2,788,576	2,855,938	2,954,535	3,093,958
Total receipts ³	1,021.9	1,092.8	1,145.2	1,244.6	1,351.5	1,472.0	1,546.2	1,648.4	1,789.4	1,896.6	1,938.6
Business receipts ³	1,004.1	1,071.6	1,121.1	1,218.2	1,321.1	1,434.6	1,503.1	1,605.1	1,738.2	1,844.7	1,885.3
Net income (less deficit) ³	18.8	17.3	17.6	23.4	24.3	24.2	26.4	29.4	30.8	28.5	26.4
Corporations											
Number of businesses ²	514,835	534,080	549,127	565,673	588,138	603,559	620,956	650,196	666,330	689,305	689,575
Total receipts ³	830.4	894.4	945.7	1,037.4	1,146.1	1,253.3	1,340.9	1,422.7	1,541.4	1,637.5	1,673.9
Business receipts ³	813.0	873.7	922.1	1,011.6	1,116.4	1,216.6	1,298.4	1,380.1	1,491.4	1,586.9	1,621.7
Net income (less deficit) ³	11.5	10.6	11.8	16.0	17.6	17.2	18.1	20.2	19.9	17.4	16.1
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	309,084
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	431.4
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	425.2
Net income (less deficit) ³	0.1	(⁴)	0.1	0.5	0.7	0.6	0.1	2.2	2.9	2.0	2.3
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	380,491
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,242.5
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,196.5
Net income (less deficit) ³	11.4	10.6	11.7	15.5	16.9	16.6	18.0	18.0	17.0	15.4	13.8
Unincorporated businesses											
Number of businesses.....	2,234,093	2,194,254	2,299,956	2,264,529	2,175,951	2,128,983	2,037,506	2,138,380	2,189,608	2,265,230	2,404,383
Total receipts.....	191.5	198.4	199.5	207.2	205.4	218.7	205.3	225.7	248.0	259.1	264.7
Business receipts.....	191.1	197.9	199.0	206.6	204.7	218.0	204.7	225.0	246.8	257.8	263.6
Net income (less deficit).....	7.3	6.7	5.8	7.4	6.7	7.0	8.3	9.2	10.9	11.1	10.3
Partnerships											
Number of businesses ²	167,826	184,874	176,725	170,241	163,473	172,725	151,446	164,872	167,823	155,517	153,918
Total receipts ³	37.7	40.6	39.9	43.2	44.8	46.2	44.8	48.4	58.9	61.9	61.7
Business receipts ³	37.3	40.1	39.4	42.6	44.1	45.5	44.2	47.7	57.7	60.6	60.6
Net income (less deficit) ³	1.6	1.1	1.3	1.2	1.3	1.5	1.7	1.9	2.5	2.0	1.5
Nonfarm proprietorships											
Number of businesses ²	2,066,267	2,009,380	2,123,231	2,094,288	2,012,478	1,956,258	1,886,060	1,973,508	2,021,785	2,109,713	2,250,465
Total receipts ³	153.8	157.8	159.6	164.0	160.6	172.5	160.5	177.3	189.1	197.2	203.0
Business receipts ³	153.8	157.8	159.6	164.0	160.6	172.5	160.5	177.3	189.1	197.2	203.0
Net income (less deficit) ³	5.7	5.6	4.5	6.2	5.4	5.5	6.6	7.3	8.4	9.1	8.8

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE											
Totals											
Number of businesses ^{1, 2}	2,179,872	2,058,898	2,113,417	2,140,001	2,272,297	2,376,452	2,518,773	2,573,240	2,674,191	2,715,759	2,762,030
Total receipts ^{1, 3}	806.1	973.6	1,060.1	1,005.4	1,157.5	1,305.7	1,513.9	1,771.1	1,927.4	2,047.7	2,125.2
Business receipts ^{1, 3}	806.1	973.6	1,060.1	1,005.4	1,157.5	1,305.7	1,513.9	1,771.1	1,927.4	2,047.7	2,125.2
Net income (less deficit) ^{1, 2}	35.5	26.9	16.4	26.4	23.0	44.6	78.4	75.0	89.0	104.5	107.1
Corporations											
Number of businesses ²	493,426	469,795	461,630	479,656	497,366	518,432	537,384	521,136	572,418	592,832	609,138
Total receipts ³	697.5	877.8	949.9	902.8	1,033.1	1,182.0	1,365.1	1,589.2	1,714.4	1,868.0	1,954.7
Business receipts ³	697.5	877.8	949.9	902.8	1,033.1	1,182.0	1,365.1	1,589.2	1,714.4	1,868.0	1,954.7
Net income (less deficit) ³	33.1	26.3	21.8	31.7	32.7	60.7	99.8	87.4	91.9	108.9	109.9
S Corporations											
Number of businesses ²	66,652	57,686	59,346	74,695	90,968	101,930	121,857	135,672	185,688	220,191	241,530
Total receipts ³	6.4	6.2	7.1	11.3	14.5	17.4	21.8	42.1	56.4	57.2	60.4
Business receipts ³	6.4	6.2	7.1	11.3	14.5	17.4	21.8	42.1	56.4	57.2	60.4
Net income (less deficit) ³	0.3	0.2	(⁴)	0.4	0.3	1.0	0.1	1.6	2.2	1.7	-0.2
Other corporations											
Number of businesses ²	426,774	412,109	402,284	404,961	406,398	416,502	415,527	385,464	386,730	372,641	367,608
Total receipts ³	691.1	871.6	942.8	891.5	1,018.6	1,164.6	1,343.3	1,547.1	1,658.0	1,810.8	1,894.3
Business receipts ³	691.1	871.6	942.8	891.5	1,018.6	1,164.6	1,343.3	1,547.1	1,658.0	1,810.8	1,894.3
Net income (less deficit) ³	32.8	26.1	21.8	31.3	32.4	59.7	99.7	85.8	89.7	107.2	110.1
Unincorporated businesses											
Number of businesses.....	1,686,446	1,589,103	1,651,787	1,660,345	1,774,931	1,858,020	1,981,389	2,052,104	2,101,773	2,122,927	2,152,892
Total receipts.....	108.6	95.8	110.2	102.6	124.4	123.7	148.8	181.9	213.0	179.7	170.5
Business receipts.....	108.6	95.8	110.2	102.6	124.4	123.7	148.8	181.9	213.0	179.7	170.5
Net income (less deficit).....	2.4	0.6	-5.4	-5.3	-9.7	-16.1	-21.4	-12.4	-2.9	-4.4	-2.8
Partnerships											
Number of businesses ²	637,480	681,638	725,622	730,067	790,902	843,867	852,705	827,524	868,887	852,517	822,254
Total receipts ³	87.1	73.6	85.9	76.8	94.4	92.3	112.6	139.9	166.9	130.1	121.5
Business receipts ³	87.1	73.6	85.9	76.8	94.4	92.3	112.6	139.9	166.9	130.1	121.5
Net income (less deficit) ³	-4.2	-5.4	-11.2	-13.1	-19.2	-25.9	-33.0	-26.8	-19.3	-20.8	-19.2
Nonfarm proprietorships											
Number of businesses ²	1,048,966	907,465	926,165	930,278	984,029	1,014,153	1,128,684	1,224,580	1,232,886	1,270,410	1,330,638
Total receipts ³	21.5	22.2	24.3	25.8	30.0	31.4	36.2	42.0	46.1	49.6	49.0
Business receipts ³	21.5	22.2	24.3	25.8	30.0	31.4	36.2	42.0	46.1	49.6	49.0
Net income (less deficit) ³	6.6	6.0	5.8	7.8	9.5	9.8	11.6	14.4	16.4	16.4	16.4

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: FINANCE											
Totals											
Number of businesses ^{1, 2}	286,196	254,739	266,423	261,912	288,440	250,947	240,864	249,093	277,680	250,151	244,814
Total receipts ^{1, 3}	351.5	458.2	512.1	493.9	567.5	588.3	693.0	767.6	833.2	894.0	926.4
Business receipts ^{1, 3}	351.5	458.2	512.1	493.9	567.5	588.3	693.0	767.6	833.2	894.0	926.4
Net income (less deficit) ^{1, 3}	3.2	-5.0	-12.1	3.4	0.9	16.1	21.8	25.7	29.0	28.3	39.5
Corporations											
Number of businesses ²	82,407	62,030	60,034	56,168	53,756	55,235	54,558	55,521	54,854	55,012	49,338
Total receipts ³	325.2	415.2	459.4	457.7	526.5	555.9	647.5	666.2	738.8	839.1	878.2
Business receipts ³	325.2	415.2	459.4	457.7	526.5	555.9	647.5	666.2	738.8	839.1	878.2
Net income (less deficit) ³	4.2	-7.5	-12.0	0.9	-1.4	12.0	18.5	16.9	16.3	15.6	26.6
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,509
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.4
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.4
Net income (less deficit) ³	0.1	(⁴)	(⁴)	0.1	(⁴)	(⁴)	-0.1	(⁴)	0.2	-0.2	0.3
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37,829
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	869.8
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	869.8
Net income (less deficit) ³	4.1	-7.5	-12.0	0.8	-1.4	12.0	18.6	16.9	16.1	15.8	26.3
Unincorporated businesses											
Number of businesses.....	203,789	192,709	206,389	205,744	234,684	195,712	186,306	193,572	222,826	195,139	195,476
Total receipts.....	26.3	43.0	52.7	36.2	41.0	32.4	45.5	101.4	94.4	54.9	48.2
Business receipts.....	26.3	43.0	52.7	36.2	41.0	32.4	45.5	101.4	94.4	54.9	48.2
Net income (less deficit).....	-1.0	2.5	-0.1	2.5	2.3	4.1	3.3	8.8	12.7	12.7	12.9
Partnerships											
Number of businesses ²	165,969	152,058	150,091	135,815	144,175	141,481	130,753	128,006	144,816	136,191	130,540
Total receipts ³	23.4	39.9	48.6	32.4	37.5	29.6	42.8	96.9	88.8	50.4	43.8
Business receipts ³	23.4	39.9	48.6	32.4	37.5	29.6	42.8	96.9	88.8	50.4	43.8
Net income (less deficit) ³	-1.4	2.1	-0.4	1.8	1.4	3.5	2.8	8.0	11.3	12.0	11.8
Nonfarm proprietorships											
Number of businesses ²	37,820	40,651	56,298	69,929	90,509	54,231	55,553	65,566	78,010	58,948	64,936
Total receipts ³	2.9	3.1	4.1	3.8	3.5	2.8	2.7	4.5	5.6	4.5	4.4
Business receipts ³	2.9	3.1	4.1	3.8	3.5	2.8	2.7	4.5	5.6	4.5	4.4
Net income (less deficit) ³	0.4	0.4	0.3	0.7	0.9	0.6	0.5	0.8	1.4	0.7	1.1

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990--Continued

[All figures are estimates based on samples--money amounts are in billions of dollars]

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: BANKING AND CREDIT AGENCIES											
Totals											
Number of businesses ²	83,374	62,441	66,199	76,705	73,889	51,842	52,936	55,886	54,822	46,156	47,206
Total receipts ³	299.6	391.5	430.8	424.8	495.7	515.9	591.1	606.1	670.7	766.8	792.0
Business receipts ³	299.6	391.5	430.8	424.8	495.7	515.9	591.1	606.1	670.7	766.8	792.0
Net income (less deficit) ³	2.5	-8.6	-13.3	-0.5	-0.7	10.3	14.9	16.4	15.7	15.4	24.7
Corporations											
Number of businesses ²	76,239	50,777	49,455	44,279	39,156	39,746	38,007	38,188	37,779	37,845	32,888
Total receipts ³	299.0	389.7	429.8	422.6	492.8	514.4	589.2	604.0	667.1	763.9	789.3
Business receipts ³	299.0	389.7	429.8	422.6	492.8	514.4	589.2	604.0	667.1	763.9	789.3
Net income (less deficit) ³	2.4	-8.7	-13.4	-1.0	-1.6	10.2	14.6	15.9	15.0	14.8	24.3
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,453
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.0
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.0
Net income (less deficit) ³	(⁴)	(⁴)	(⁴)	-(⁴)	-(⁴)	(⁴)	(⁴)	0.1	-0.2	-0.2	0.1
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	27,435
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	786.3
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	786.3
Net income (less deficit) ³	2.4	-8.7	-13.4	-1.0	-1.6	10.2	14.6	15.8	15.2	15.0	24.2
Unincorporated businesses											
Number of businesses.....	7,135	11,664	16,744	32,426	34,733	12,096	14,929	17,698	17,043	8,311	14,318
Total receipts.....	0.6	1.8	1.0	2.2	2.9	1.5	1.9	2.1	3.6	2.9	2.7
Business receipts.....	0.6	1.8	1.0	2.2	2.9	1.5	1.9	2.1	3.6	2.9	2.7
Net income (less deficit).....	0.1	0.1	0.1	0.5	0.9	0.1	0.3	0.5	0.7	0.6	0.4
Partnerships											
Number of businesses ²	2,428	2,559	1,708 ^r	2,160	3,708	4,066	2,701	3,493	1,645	2,037	3,268
Total receipts ³	0.4	1.4	0.5	0.7	1.6	1.2	1.5	1.5 ^r	2.8	2.8	2.4
Business receipts ³	0.4	1.4	0.5	0.7	1.6	1.2	1.5	1.5	2.8	2.8	2.4
Net income (less deficit) ³	0.1	0.1	(⁴)	0.2	0.6	0.1	0.2	0.3	0.5	0.5	0.2
Nonfarm proprietorships											
Number of businesses ²	4,707	9,105	15,036	30,266	31,025	8,030	12,228	14,105	15,398	6,274	11,050
Total receipts ³	0.2	0.4	0.5	1.5	1.3	0.3	0.4	0.6	0.8	0.1	0.3
Business receipts ³	0.2	0.4	0.5	1.5	1.3	0.3	0.4	0.6	0.8	0.1	0.3
Net income (less deficit) ³	(⁴)	-(⁴)	0.1	0.3	0.3	(⁴)	0.1	0.2	0.2	0.1	0.2

Footnotes at end of table.

Trends in Business Structure and Activity, 1980-1990

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: SECURITY, COMMODITY BROKERS, AND SERVICES											
Totals											
Number of businesses ²	41,350	46,306	56,698	58,660	79,990	64,088	62,734	72,937	87,491	74,047	75,410
Total receipts ³	41.6	51.2	67.6	57.9	62.8	59.1	84.3	154.6	143.5	107.7	110.8
Business receipts ³	41.6	51.2	67.6	57.9	62.8	59.1	84.3	154.6	143.5	107.7	110.8
Net income (less deficit) ³	1.6	0.9	1.1	2.7	0.7	3.7	4.7	2.9	4.3	4.0	5.3
Corporations											
Number of businesses ²	6,168	11,253	10,579	11,889	14,600	15,489	16,551	17,333	17,075	17,167	16,450
Total receipts ³	26.2	25.5	29.6	35.1	33.7	41.4	58.4	62.1	71.7	75.2	88.9
Business receipts ³	26.2	25.5	29.6	35.1	33.7	41.4	58.4	62.1	71.7	75.2	88.9
Net income (less deficit) ³	1.8	1.2	1.4	1.9	0.2	1.8	3.9	1.1	1.2	0.8	2.3
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6,056
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.4
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.4
Net income (less deficit) ³	0.1	(⁴)	(⁴)	0.1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	0.2
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10,394
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	83.5
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	83.5
Net income (less deficit) ³	1.7	1.2	1.4	1.8	0.2	1.8	3.9	1.1	1.2	0.8	2.1
Unincorporated businesses											
Number of businesses.....	35,182	35,053	46,119	46,771	65,390	48,599	46,183	55,604	70,416	56,880	58,960
Total receipts.....	15.4	25.7	38.0	22.8	29.1	17.7	25.9	92.5	71.8	32.5	21.9
Business receipts.....	15.4	25.7	38.0	22.8	29.1	17.7	25.9	92.5	71.8	32.5	21.9
Net income (less deficit).....	-0.2	-0.3	-0.3	0.8	0.5	1.9	0.8	1.8	3.1	3.2	3.0
Partnerships											
Number of businesses ²	2,069	3,507	4,857	7,108	5,906	2,398	2,858	4,143	7,804	4,206	5,074
Total receipts ³	12.7	23.0	34.4	20.5	26.8	15.2	23.6	88.6	67.0	28.1	17.8
Business receipts ³	12.7	23.0	34.4	20.5	26.8	15.2	23.6	88.6	67.0	28.1	17.8
Net income (less deficit) ³	-0.5	-0.7	-0.5	0.4	-0.1	1.3	0.4	1.2	1.9	2.6	2.1
Nonfarm proprietorships											
Number of businesses ²	33,113	31,546	41,262	39,663	59,484	46,201	43,325	51,461	62,612	52,674	53,886
Total receipts ³	2.7	2.7	3.6	2.3	2.3	2.5	2.3	3.9	4.8	4.4	4.1
Business receipts ³	2.7	2.7	3.6	2.3	2.3	2.5	2.3	3.9	4.8	4.4	4.1
Net income (less deficit) ³	0.3	0.4	0.2	0.4	0.6	0.6	0.4	0.6	1.2	0.6	0.9

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: HOLDING AND OTHER INVESTMENT COMPANIES, EXCEPT BANK HOLDING COMPANIES											
Totals⁵											
Number of businesses ²	221,898	191,615	190,466	173,474	179,749	180,449	168,853	161,251	184,623	183,002	182,623
Total receipts ³	40.1	75.2	83.6	80.6	86.9	137.8	147.0	167.7	165.5	171.8	173.5
Business receipts ³	40.1	75.2	83.6	80.6	86.9	137.8	147.0	167.7	165.5	171.8	173.5
Net income (less deficit) ³	15.8	30.1	31.8	31.9	32.0	43.6	63.5	61.9	63.8	78.6	78.4
Corporations											
Number of businesses ²	60,427	45,623	46,939	46,927	45,187	45,432	43,660	40,982	49,256	53,053	60,424
Total receipts ³	29.8	59.7	69.9	69.4	77.8	124.6	129.3	161.0	146.4	152.0	149.9
Business receipts ³	29.8	59.7	69.9	69.4	77.8	124.6	129.3	161.0	146.4	152.0	149.9
Net income (less deficit) ³	16.8	27.5	31.7	30.7	31.1	41.6	61.3	55.5	54.8	69.8	68.9
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,551
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.8
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.8
Net income (less deficit) ³	-0.1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	-0.1	-0.1	0.2	0.1
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	47,873
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	148.1
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	148.1
Net income (less deficit) ³	16.9	27.5	31.7	30.7	31.1	41.6	61.3	55.6	54.9	69.6	68.8
Unincorporated businesses⁵											
Number of businesses.....	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Total receipts.....	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Business receipts.....	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Net income (less deficit).....	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Partnerships											
Number of businesses ²	161,471	145,992	143,527	126,547	134,562	135,017	125,193	120,269	135,367	129,949	122,199
Total receipts ³	10.3	15.5	13.7	11.2	9.1	13.2	17.7	6.7	19.1	19.8	23.6
Business receipts ³	10.3	15.5	13.7	11.2	9.1	13.2	17.7	6.7	19.1	19.8	23.6
Net income (less deficit) ³	-1.0	2.6	0.1	1.2	0.9	2.0	2.2	6.4	9.0	8.8	9.5
Nonfarm proprietorships											
Number of businesses ²	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Total receipts ³	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Business receipts ³	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Net income (less deficit) ³	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: INSURANCE											
Totals											
Number of businesses ²	304,062	308,558	331,666	347,898	367,886	351,682	354,500	397,779	419,612	428,893	485,965
Total receipts ³	306.4	359.7	375.0	320.4	362.0	423.2	503.3	664.4	720.2	767.8	825.6
Business receipts ³	306.4	359.7	375.0	320.4	362.0	423.2	503.3	664.4	720.2	767.8	825.6
Net income (less deficit) ³	13.7	9.1	6.0	1.5	6.3	10.9	22.9	19.5	26.5	31.6	26.5
Corporations											
Number of businesses ²	58,118	59,634	59,537	63,588	68,903	70,081	72,848	74,341	74,847	75,546	77,474
Total receipts ³	296.8	349.3	363.2	309.1	348.4	410.7	488.7	648.6	701.5	747.6	804.1
Business receipts ³	296.8	349.3	363.2	309.1	348.4	410.7	488.7	648.6	701.5	747.6	804.1
Net income (less deficit) ³	10.5	5.8	2.6	-1.5	2.2	7.1	18.1	14.4	20.2	25.6	19.2
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	33,268
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.7
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.7
Net income (less deficit) ³	0.1	0.1	0.1	0.2	0.3	0.4	0.4	0.7	0.7	0.9	0.9
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44,206
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	791.4
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	791.4
Net income (less deficit) ³	10.4	5.7	2.5	-1.7	1.9	6.7	17.7	13.7	19.5	24.7	18.3
Unincorporated businesses											
Number of businesses.....	245,944	248,924	272,129	284,310	298,983	281,601	281,652	323,438	344,765	353,347	408,491
Total receipts.....	9.6	10.4	11.8	11.3	13.6	12.5	14.6	15.8	18.7	20.2	21.5
Business receipts.....	9.6	10.4	11.8	11.3	13.6	12.5	14.6	15.8	18.7	20.2	21.5
Net income (less deficit).....	3.2	3.3	3.4	3.0	4.1	3.8	4.8	5.1	6.3	6.0	7.3
Partnerships											
Number of businesses ²	7,127	7,227	7,560	8,770	9,808	8,360	8,570	5,717	8,482	9,103	9,283
Total receipts ³	3.1	3.2	3.3	3.0	3.1	2.9	4.0	4.4	5.4	4.1	4.6
Business receipts ³	3.1	3.2	3.3	3.0	3.1	2.9	4.0	4.4	5.4	4.1	4.6
Net income (less deficit) ³	0.5	0.5	0.4	(⁴)	0.6	0.4	0.9	0.4	0.9	0.4	0.5
Nonfarm proprietorships											
Number of businesses ²	238,817	241,697	264,569	275,540	289,175	273,241	273,082	317,721	336,283	344,244	399,208
Total receipts ³	6.5	7.2	8.5	8.3	10.5	9.6	10.6	11.4	13.3	16.1	16.9
Business receipts ³	6.5	7.2	8.5	8.3	10.5	9.6	10.6	11.4	13.3	16.1	16.9
Net income (less deficit) ³	2.7	2.8	3.0	3.0	3.5	3.4	3.9	4.7	5.4	5.6	6.8

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: REAL ESTATE											
Totals											
Number of businesses ^{1, 2}	1,529,188	1,449,977	1,468,388	1,483,262	1,570,786	1,728,392	1,879,749	1,885,386	1,927,643	1,983,661	1,970,827
Total receipts ^{1, 3}	118.5	96.0	103.0	121.8	150.0	169.6	188.1	178.2	227.8	233.7	223.5
Business receipts ^{1, 3}	118.5	96.0	103.0	121.8	150.0	169.6	188.1	178.2	227.8	233.7	223.5
Net income (less deficit) ^{1, 3} ..	1.9	-4.6	-9.1	-9.1	-15.2	-23.9	-27.5	-25.7	-21.2	-25.2	-27.9
Corporations											
Number of businesses ²	292,475	302,508	295,119	312,972	329,521	347,684	366,317	350,293	393,461	409,221	421,901
Total receipts ³	45.7	53.6	57.3	66.7	80.4	90.9	99.5	113.4	127.7	129.2	122.5
Business receipts ³	45.7	53.6	57.3	66.7	80.4	90.9	99.5	113.4	127.7	129.2	122.5
Net income (less deficit) ³	1.6	0.5	-0.6	1.7	0.9	0.1	1.9	0.5	0.6	-2.1	-4.8
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	184,202
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37.6
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37.6
Net income (less deficit) ³	0.1	(⁴)	-0.1	0.2	0.1	-0.3	-0.2	1.0	1.4	0.3	-1.6
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	237,699
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	84.9
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	84.9
Net income (less deficit) ³	1.5	0.5	-0.5	1.5	0.8	0.4	2.1	-0.5	-0.8	-2.4	-3.2
Unincorporated businesses											
Number of businesses.....	1,236,713	1,147,469	1,173,269	1,170,290	1,241,265	1,380,708	1,513,432	1,535,093	1,534,182	1,574,440	1,548,926
Total receipts.....	72.8	42.4	45.7	55.1	69.6	78.7	88.6	64.8	100.1	104.5	101.0
Business receipts.....	72.8	42.4	45.7	55.1	69.6	78.7	88.6	64.8	100.1	104.5	101.0
Net income (less deficit).....	0.3	-5.1	-8.5	-10.8	-16.1	-24.0	-29.4	-26.2	-21.8	-23.1	-23.1
Partnerships											
Number of businesses ²	464,384	522,352	567,971	585,481	636,920	694,027	713,383	693,800	715,589	707,223	682,431
Total receipts ³	60.6	30.5	34.0	41.4	53.7	59.7	65.7	38.6	72.8	75.6	73.2
Business receipts ³	60.6	30.5	34.0	41.4	53.7	59.7	65.7	38.6	72.8	75.6	73.2
Net income (less deficit) ³	-3.3	-7.9	-11.1	-14.9	-21.2	-29.8	-36.6	-35.1	-31.5	-33.2	-31.6
Nonfarm proprietorships											
Number of businesses ²	772,329	625,117	605,298	584,809	604,345	686,681	800,049	841,293	818,593	867,217	866,495
Total receipts ³	12.2	11.9	11.7	13.7	15.9	19.0	22.9	26.2	27.3	28.9	27.8
Business receipts ³	12.2	11.9	11.7	13.7	15.9	19.0	22.9	26.2	27.3	28.9	27.8
Net income (less deficit) ³	3.6	2.8	2.6	4.1	5.1	5.8	7.2	8.9	9.7	10.1	8.5

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: REAL ESTATE: OPERATORS AND LESSORS OF BUILDINGS											
Totals											
Number of businesses ^{1, 2}	569,533	597,103	639,492	666,646	692,826	754,028	793,593	725,407	776,791	763,156	738,451
Total receipts ³	66.0	39.1	45.2	50.3	60.1	67.7	74.2	39.9	65.8	67.8	66.5
Business receipts ³	66.0	39.1	45.2	50.3	60.1	67.7	74.2	39.9	65.8	67.8	66.5
Net income (less deficit) ³	-2.5	-5.5	-7.5	-12.2	-18.1	-25.3	-31.2	-32.9	-30.8	-30.3	-26.1
Corporations											
Number of businesses ²	150,853	144,735	140,057	143,478	139,972	144,266	152,829	122,168	154,570	158,491	164,639
Total receipts ³	17.7	20.6	22.6	24.2	27.5	30.4	34.2	28.5	31.9	32.9	31.8
Business receipts ³	17.7	20.6	22.6	24.2	27.5	30.4	34.2	28.5	31.9	32.9	31.8
Net income (less deficit) ³	1.4	1.2	1.0	1.4	0.9	1.0	1.6	0.2	0.4	-0.3	-0.8
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	(⁴)	(⁴)	(⁴)	(⁴)	-0.1	-0.2	-0.3	-0.2	(⁴)	-0.2	-0.1
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	1.4	1.2	1.0	1.4	1.0	1.2	1.9	0.4	0.4	-0.1	-0.7
Unincorporated businesses											
Number of businesses.....	418,680	452,368	499,435	523,168	552,854	609,762	640,764	603,239	622,221	604,665	573,812
Total receipts.....	48.3	18.5	22.6	26.1	32.6	37.3	40.0	11.4	33.9	34.9	34.7
Business receipts.....	48.3	18.5	22.6	26.1	32.6	37.3	40.0	11.4	33.9	34.9	34.7
Net income (less deficit).....	-3.9	-6.7	-8.5	-13.6	-19.0	-26.3	-32.8	-33.1	-31.2	-30.0	-25.3
Partnerships											
Number of businesses ²	390,946	435,836	474,686	491,701	536,216	582,487	602,166	585,085	591,251	589,759	563,894
Total receipts ³	47.2	17.7	21.3	25.0	31.9	35.8	38.6	10.8	32.7	34.4	33.7
Business receipts ³	47.2	17.7	21.3	25.0	31.9	35.8	38.6	10.8	32.7	34.4	33.7
Net income (less deficit) ³	-3.9	-6.7	-8.5	-13.7	-18.9	-26.2	-32.8	-33.1	-31.3	-30.1	-25.4
Nonfarm proprietorships											
Number of businesses ²	27,734	16,532	24,749	31,467	16,638	27,275	38,598	18,154	30,970	14,906	9,918
Total receipts ³	1.1	0.8	1.3	1.1	0.7	1.5	1.4	0.6	1.2	0.5	1.0
Business receipts ³	1.1	0.8	1.3	1.1	0.7	1.5	1.4	0.6	1.2	0.5	1.0
Net income (less deficit) ³	(⁴)	(⁴)	(⁴)	0.1	-0.1	-0.1	(⁴)	(⁴)	0.1	0.1	0.1

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990--Continued

[All figures are estimates based on samples--money amounts are in billions of dollars]

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
FINANCE, INSURANCE, AND REAL ESTATE: REAL ESTATE: SUBDIVIDERS AND DEVELOPERS											
Totals											
Number of businesses ²	67,365	81,147	88,039	86,156	96,398	115,276	123,033	130,391	147,101	138,149	144,817
Total receipts ³	18.2	20.5	21.2	24.9	33.4	38.3	43.5	65.6	82.1	79.2	70.9
Business receipts ³	18.2	20.5	21.2	24.9	33.4	38.3	43.5	65.6	82.1	79.2	70.9
Net income (less deficit) ³	0.6	-1.6	-3.2	-1.4	-2.0	-3.2	-2.9	-1.1	0.9	-3.9	-7.9
Corporations											
Number of businesses ²	36,060	41,659	41,536	38,962	45,812	46,945	51,295	53,584	60,234	59,726	61,431
Total receipts ³	8.4	10.6	11.1	11.7	15.2	17.3	18.9	37.6	44.3	41.6	37.2
Business receipts ³	8.4	10.6	11.1	11.7	15.2	17.3	18.9	37.6	44.3	41.6	37.2
Net income (less deficit) ³	0.3	-0.6	-1.1	-0.1	-0.3	-0.6	0.1	0.8	0.7	-1.0	-2.1
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	0.1	0.1	-0.1	0.1	(⁴)	-0.1	0.2	0.9	1.3	0.7	-0.5
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	0.2	-0.7	-1.0	-0.2	-0.3	-0.5	-0.1	-0.1	-0.6	-1.7	-1.6
Unincorporated businesses											
Number of businesses.....	31,305	39,488	46,503	47,194	50,586	68,331	71,738	76,807	86,867	78,423	83,386
Total receipts.....	9.8	9.9	10.1	13.2	18.2	21.0	24.6	28.0	37.8	37.6	33.7
Business receipts.....	9.8	9.9	10.1	13.2	18.2	21.0	24.6	28.0	37.8	37.6	33.7
Net income (less deficit).....	0.3	-1.0	-2.1	-1.3	-1.7	-2.6	-3.0	-1.9	0.2	-2.9	-5.8
Partnerships											
Number of businesses ²	23,106	35,569	43,365	42,669	48,716	55,263	56,460	59,981	71,375	63,830	64,829
Total receipts ³	9.3	9.6	9.8	13.0	17.9	19.4	22.8	24.9	35.1	35.0	31.8
Business receipts ³	9.3	9.6	9.8	13.0	17.9	19.4	22.8	24.9	35.1	35.0	31.8
Net income (less deficit) ³	0.3	-1.0	-2.1	-1.3	-1.7	-2.7	-3.0	-2.0	(⁴)	-2.9	-5.7
Nonfarm proprietorships											
Number of businesses ²	8,199	3,919	3,138	4,525	1,870	13,068	15,278	16,826	15,492	14,593	18,557
Total receipts ³	0.5	0.3	0.3	0.2	0.3	1.6	1.8	3.1	2.7	2.6	1.9
Business receipts ³	0.5	0.3	0.3	0.2	0.3	1.6	1.8	3.1	2.7	2.6	1.9
Net income (less deficit) ³	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	0.1	(⁴)	0.1	0.2	(⁴)	-0.1

Footnotes at end of table.

Trends in Business Structure and Activity, 1980-1990

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SERVICES											
Totals											
Number of businesses ^{1, 2}	4,777,528	4,968,546	5,374,254	5,800,929	6,220,472	6,812,917	7,095,810	7,388,407	7,748,704	8,328,213	8,631,779
Total receipts ³	428.4	514.6	560.6	621.1	735.5	804.6	881.7	968.5	1,061.0	1,136.4	1,203.8
Business receipts ^{1, 3}	412.7	492.1	529.2	591.7	695.6	759.5	831.3	916.4	997.6	1,068.2	1,140.0
Net income (less deficit) ^{1, 3}	47.0	47.3	47.3	50.4	57.9	65.4	74.8	83.4	103.2	111.2	121.3
Corporations											
Number of businesses ²	671,338	752,813	819,706	848,394	899,370	939,390	1,012,178	1,119,604	995,425	989,850	1,029,447
Total receipts ³	279.9	346.8	380.8	416.5	490.3	534.6	591.8	663.1	695.3	735.5	779.3
Business receipts ³	266.1	328.1	355.1	392.1	458.0	498.0	550.6	616.5	643.7	680.4	726.0
Net income (less deficit) ³	8.2	8.2	7.2	6.0	5.5	5.9	7.4	9.3	9.3	11.0	10.6
S Corporations											
Number of businesses ²	135,473	151,187	160,865	193,862	195,015	208,265	238,837	339,640	373,950	437,676	501,733
Total receipts ³	24.3	28.2	33.6	43.1	51.2	56.1	66.7	109.3	143.5	177.2	219.9
Business receipts ³	23.5	27.1	31.8	41.3	48.8	53.3	64.0	105.6	138.7	171.8	211.6
Net income (less deficit) ³	0.4	0.4	0.6	0.8	0.7	0.6	0.9	2.6	4.3	5.3	6.5
Other corporations											
Number of businesses ²	535,865	601,626	658,841	654,532	704,355	731,125	773,341	779,964	621,475	552,174	527,714
Total receipts ³	255.6	318.6	347.2	373.4	439.1	478.5	525.1	553.8	551.8	558.3	559.4
Business receipts ³	242.6	301.0	323.3	350.8	409.2	444.7	486.6	510.9	505.0	508.6	514.4
Net income (less deficit) ³	7.8	7.8	6.6	5.2	4.8	5.3	6.5	6.7	5.0	5.7	4.1
Unincorporated businesses											
Number of businesses.....	4,106,190	4,215,733	4,554,548	4,952,535	5,321,102	5,873,527	6,083,632	6,268,803	6,753,279	7,338,363	7,602,332
Total receipts.....	148.5	167.8	179.8	204.6	245.2	270.0	289.9	305.4	365.7	400.9	424.5
Business receipts.....	146.6	164.0	174.1	199.6	237.6	261.5	280.7	299.9	353.9	387.8	414.0
Net income (less deficit).....	38.8	39.1	40.1	44.4	52.4	59.5	67.4	74.1	93.9	100.2	110.7
Partnerships											
Number of businesses ²	263,400	262,932	279,171	306,294	331,103	341,295	325,134	291,456	296,408	299,423	267,336
Total receipts ³	60.5	64.8	71.5	80.1	97.8	112.7	120.9	121.9	153.7	175.4	172.2
Business receipts ³	58.6	61.0	65.8	75.1	90.2	104.2	111.7	116.4	141.9	162.3	161.7
Net income (less deficit) ³	12.4	11.6	11.9	12.5	15.6	16.5	18.6	18.1	25.6	26.7	26.5
Nonfarm proprietorships											
Number of businesses ²	3,842,790	3,952,801	4,275,377	4,646,241	4,989,999	5,532,232	5,758,498	5,977,347	6,456,871	7,038,940	7,334,996
Total receipts ³	88.0	103.0	108.3	124.5	147.4	157.3	169.0	183.5	212.0	225.5	252.3
Business receipts ³	88.0	103.0	108.3	124.5	147.4	157.3	169.0	183.5	212.0	225.5	252.3
Net income (less deficit) ³	26.4	27.5	28.2	31.9	36.8	43.0	48.8	56.0	68.3	73.5	84.2

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990--Continued

[All figures are estimates based on samples--money amounts are in billions of dollars]

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SERVICES: ACCOUNTING, AUDITING, AND BOOKKEEPING SERVICES											
Totals											
Number of businesses ²	207,691	242,945	272,840	253,748	285,627	267,330	297,375	290,737	305,642	307,432	308,705
Total receipts ³	12.3	14.5	14.8	16.3	19.4	24.7	27.1	23.6	29.6	31.1	30.9
Business receipts ³	12.3	14.2	14.5	16.0	19.0	24.0	26.8	23.3	29.3	30.8	30.6
Net income (less deficit) ³	3.0	3.3	3.3	3.3	3.9	4.5	5.4	4.7	6.2	6.9	7.3
Corporations											
Number of businesses ²	14,276	15,734	17,670	19,517	23,196	25,440	28,184	31,020	24,984	22,626	24,294
Total receipts ³	2.6	2.9	3.5	4.6	5.0	6.3	7.6	7.8	6.6	5.4	6.1
Business receipts ³	2.6	2.8	3.3	4.4	4.7	5.9	7.4	7.6	6.5	5.3	5.9
Net income (less deficit) ³	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.1	0.2	0.3
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	(⁴)	(⁴)	(⁴)	0.1	(⁴)	0.1	0.1	0.2	0.1	0.2	0.3
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	(⁴)	(⁴)	(⁴)
Unincorporated businesses											
Number of businesses.....	193,415	227,211	255,170	234,231	262,431	241,890	269,191	259,717	280,658	284,806	284,411
Total receipts.....	9.7	11.6	11.3	11.7	14.4	18.4	19.5	15.8	23.0	25.7	24.8
Business receipts.....	9.7	11.4	11.2	11.6	14.3	18.1	19.4	15.7	22.8	25.5	24.7
Net income (less deficit).....	2.9	3.2	3.2	3.1	3.8	4.3	5.2	4.4	6.1	6.7	7.0
Partnerships											
Number of businesses ²	13,011	12,543	13,550	15,708	14,253	18,131	17,246	10,138	21,935	13,712	12,936
Total receipts ³	7.1	7.8	7.6	8.8	10.5	14.2	14.3	10.8	17.5	18.4	18.2
Business receipts ³	7.1	7.6	7.5	8.7	10.4	13.9	14.2	10.7	17.3	18.2	18.1
Net income (less deficit) ³	1.7	1.8	1.8	1.9	2.3	2.8	3.1	2.5	3.9	3.8	4.2
Nonfarm proprietorships											
Number of businesses ²	180,404	214,668	241,620	218,523	248,178	223,759	251,945	249,579	258,723	271,094	271,475
Total receipts ³	2.6	3.8	3.7	2.9	3.9	4.2	5.2	5.0	5.5	7.3	6.6
Business receipts ³	2.6	3.8	3.7	2.9	3.9	4.2	5.2	5.0	5.5	7.3	6.6
Net income (less deficit) ³	1.2	1.4	1.4	1.2	1.5	1.5	2.1	1.9	2.2	2.9	2.8

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SERVICES: LEGAL SERVICES											
Totals											
Number of businesses ²	224,619	252,235	282,935	270,063	287,688	292,271	302,266	306,596	275,602	293,652	311,178
Total receipts ³	27.2	31.3	39.5	43.7	54.8	60.0	68.1	69.9	71.0	73.3	78.2
Business receipts ³	26.8	30.7	38.5	42.3	53.1	58.3	66.0	67.7	69.2	71.6	76.6
Net income (less deficit) ³	10.0	9.8	11.6	12.7	15.5	16.9	18.9	19.7	23.7	24.7	26.0
Corporations											
Number of businesses ²	19,377	27,822	34,966	34,259	36,412	38,289	43,849	54,389	28,412	25,125	28,801
Total receipts ³	6.3	8.6	12.9	14.5	17.9	19.5	23.6	23.5	15.3	10.9	12.0
Business receipts ³	6.1	8.3	12.3	13.7	17.0	18.6	22.2	21.8	14.3	10.2	11.3
Net income (less deficit) ³	0.2	0.2	0.3	0.4	0.4	0.4	0.6	1.0	0.3	0.3	0.4
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.4	0.4
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	0.1	0.1	0.2	0.3	0.3	0.3	0.5	0.7	(⁴)	-0.1	(⁴)
Unincorporated businesses											
Number of businesses.....	205,242	224,413	247,969	235,804	251,276	253,982	258,417	252,207	247,190	268,527	282,377
Total receipts.....	20.9	22.7	26.6	29.2	36.9	40.5	44.5	46.4	55.7	62.4	66.2
Business receipts.....	20.7	22.4	26.2	28.6	36.1	39.7	43.8	45.9	54.9	61.4	65.3
Net income (less deficit).....	9.8	9.6	11.3	12.3	15.1	16.5	18.3	18.7	23.4	24.4	25.6
Partnerships											
Number of businesses ²	29,524	25,446	26,535	24,821	25,152	30,795	30,018	25,248	23,420	30,967	22,386
Total receipts ³	14.3	14.9	17.4	19.2	24.3	27.0	30.6	30.4	39.5	44.7	45.1
Business receipts ³	14.1	14.6	17.0	18.6	23.5	26.2	29.9	29.9	38.7	43.7	44.2
Net income (less deficit) ³	6.6	6.3	7.4	8.2	10.0	10.7	11.9	11.6	15.2	16.6	16.3
Nonfarm proprietorships											
Number of businesses ²	175,718	198,967	221,434	210,983	226,124	223,187	228,399	226,959	223,770	237,560	259,991
Total receipts ³	6.6	7.8	9.2	10.0	12.6	13.5	13.9	16.0	16.2	17.7	21.1
Business receipts ³	6.6	7.8	9.2	10.0	12.6	13.5	13.9	16.0	16.2	17.7	21.1
Net income (less deficit) ³	3.2	3.3	3.9	4.1	5.1	5.8	6.4	7.1	8.2	7.8	9.3

Footnotes at end of table.

Table 1.—Number of Businesses, Total and Business Receipts, and Net Income (Less Deficit) by Form of Business and Selected Industrial Group, Tax Years 1980-1990—Continued

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

Industrial group, form of business	Tax year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SERVICES: MEDICAL SERVICES											
Totals											
Number of businesses ²	594,240	630,445	690,110	717,950	725,847	805,318	820,075	928,548	864,627	873,501	918,990
Total receipts ³	94.4	110.4	123.1	139.0	157.5	181.4	197.2	220.8	207.3	209.8	230.7
Business receipts ³	92.4	107.6	118.5	135.5	151.7	173.9	189.1	211.3	197.5	201.3	221.5
Net income (less deficit) ³	15.1	15.8	16.7	17.4	19.8	21.9	22.9	26.2	29.0	31.8	38.1
Corporations											
Number of businesses ²	154,822	175,844	193,222	204,888	213,944	228,430	228,474	261,892	165,620	134,799	128,326
Total receipts ³	61.4	74.7	84.4	97.6	110.4	128.4	141.8	155.6	134.1	126.9	136.7
Business receipts ³	59.6	72.6	80.9	94.3	105.6	122.1	134.9	147.3	125.8	120.6	129.5
Net income (less deficit) ³	1.7	1.9	1.9	2.1	2.2	2.7	2.1	3.0	1.7	1.4	3.3
S Corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	0.2	0.2	0.2	0.3	0.3	0.4	0.2	0.7	1.1	1.2	1.7
Other corporations											
Number of businesses ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business receipts ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (less deficit) ³	1.5	1.7	1.7	1.8	1.9	2.3	1.9	2.3	0.6	0.2	1.6
Unincorporated businesses											
Number of businesses.....	439,418	454,601	496,888	513,062	511,903	576,888	591,601	666,656	699,007	738,702	790,664
Total receipts.....	33.0	35.7	38.7	41.4	47.1	53.0	55.4	65.2	73.2	82.9	94.0
Business receipts.....	32.8	35.0	37.6	41.2	46.1	51.8	54.2	64.0	71.7	80.7	92.0
Net income (less deficit).....	13.4	13.9	14.8	15.3	17.6	19.2	20.8	23.2	27.3	30.4	34.8
Partnerships											
Number of businesses ²	23,241	28,044	27,524	28,655	30,160	36,557	34,173	40,930	37,876	39,824	35,275
Total receipts ³	9.8	11.4	12.0	12.2	14.6	16.9	16.9	20.1	23.5	26.8	29.1
Business receipts ³	9.6	10.7	10.9	12.0	13.6	15.7	15.7	18.9	22.0	24.6	27.1
Net income (less deficit) ³	3.0	3.6	3.9	3.5	4.6	4.4	4.5	4.5	5.2	6.0	6.3
Nonfarm proprietorships											
Number of businesses ²	416,177	426,557	469,364	484,407	481,743	540,331	557,428	625,726	661,131	698,878	755,389
Total receipts ³	23.2	24.3	26.7	29.2	32.5	36.1	38.5	45.1	49.7	56.1	64.9
Business receipts ³	23.2	24.3	26.7	29.2	32.5	36.1	38.5	45.1	49.7	56.1	64.9
Net income (less deficit) ³	10.4	10.3	10.9	11.8	13.0	14.8	16.3	18.7	22.1	24.4	28.5

Footnotes on the following page.

Trends in Business Structure and Activity, 1980-1990

Footnotes to Table 1:

n.a. - Not available.

r - Revised.

¹ Includes industries (and businesses whose activities were not allocable by industry) not shown separately.

² Number of businesses--

a. S Corporations--These are the number of active S Corporations (certain generally-small, closely-held corporations that elect to be taxed through shareholders at the individual income tax rates). Starting with 1983, the definition of an S Corporation was broadened to include otherwise qualifying companies with no more than 35 shareholders; for 1982, the number was 25; for 1980-1981, it was 15. Other changes removed the restrictions that previously prevented S Corporation status if most receipts were from foreign sources (starting with 1983) and permitted a larger percentage of receipts to be from "passive" investments (starting with 1982). Starting with 1987, all S Corporations were required to use a calendar year accounting period. To effectuate this change, companies with noncalendar year accounting periods had to file two returns for 1987, one for a part year and the other for a full year (in the statistics, 1987 covers corporate accounting periods ended July 1987 through June 1988), thus overstating the number of S Corporations for this one year, in particular (although part-year returns can overstate the number of corporations for all years). Unlike sole proprietorships, the number of S Corporations includes corporations whose principal business activity was farming.

b. Other or Non-S Corporations (often referred to as C Corporations)--The term corporation includes joint stock companies, insurance companies, cooperative banks, other taxable cooperatives, mutual savings banks, savings and loan associations, regulated investment companies, certain publicly-traded partnerships, real estate investment trusts, as well as certain other trusts and associations having characteristics similar to corporations. The numbers shown represent the number of income tax returns of active corporations, rather than the number of active corporations; corporation income tax returns include consolidated returns filed by parent corporations for groups of affiliated companies or subsidiaries, but the number of affiliated corporations included in these returns was not tabulated. The number of consolidated returns for 1980 was 57,890; the number for 1990 was 71,769. Like partnerships, the number of returns also includes part-year returns for all years, and (unlike sole proprietorships) returns of corporations whose principal business was farming. The numbers exclude nonprofit corporations that are tax-exempt, even though some had "unrelated business income" that was taxable; political organizations; and certain condominium management associations. The numbers shown also exclude non-exempt corporate farmers' cooperatives starting with 1981; and Interest-Charge Domestic International Sales Corporations and Foreign Sales Corporations, starting with 1987. Foreign corporations (i.e., those incorporated abroad) with U.S. business operations are included for all years.

c. Partnerships--The number of partnerships represents the total number of returns of active partnerships that were either engaged in a U.S. business or had income from U.S. sources. The numbers shown include part-year returns. The term partnership also includes syndicates, groups, pools, joint ventures, or other unincorporated businesses with characteristics similar to partnerships, although certain qualifying syndicates, pools, joint ventures, and similar organizations could elect not to file as partnerships and, by law, certain publicly-held partnerships were treated as corporations. Like corporations, but unlike sole proprietorships, the numbers shown include partnerships whose principal business activity was farming.

d. Nonfarm Proprietorships--The numbers shown represent the number of nonfarm sole proprietors starting with Tax Year 1981, rather than the number of nonfarm businesses owned by sole proprietors. (The two differ if a proprietor owns more than one nonfarm business.) However, for 1980, the number of sole proprietorships actually represents the number of nonfarm businesses (except that to facilitate processing, three was the maximum number of multiple businesses tabulated per proprietor). The total number of nonfarm sole proprietorship businesses for 1980 was 9.7 million, while the number of nonfarm sole proprietors was 8.9 million; comparable numbers for 1990 were 16.6 million and 14.8 million, respectively.

³ Total Receipts, Business Receipts, and Net Income are not altogether comparable by legal form of organization, for conceptual or statutory reasons and because of how the data were processed for the statistics.

a. Total Receipts and Business Receipts--In general, business receipts are the gross operating receipts of the business, in contrast to income from investments, which includes sales of business property, although both types of income are reflected in total receipts. For purposes of this article, the business receipts of S Corporations, other or non-S Corporations, and partnerships, classified under Finance, insurance, and real estate, were made equal to total receipts in recognition of the fact that investment income is often the principal operating income of these businesses; even though such income is reported separately on the tax returns and is shown separately in most Statistics of Income tables. All of the amounts shown represent summations of data from the tax return, rather than amounts based on a "value added" concept covering an entire "sector" based on industry or legal form. Because the tax returns do not require that inter-company transactions be netted out of the totals reported for receipts (except on consolidated returns filed by affiliated corporations), there is some double counting in the statistics. Thus, for example, the receipts reported by a corporation classified in a specific industrial grouping may be based on purchases from another

Trends in Business Structure and Activity, 1980-1990

Footnotes to Table 1.--Continued

corporation or business; these purchases are also business receipts to the business that sells them. Therefore, for certain purposes, the data for receipts may not be considered additive.

- 1) S Corporations.--Business receipts equal gross receipts from sales and operations. Total receipts are business receipts, plus receipts from investments, including tax-exempt interest on State and local Government obligations. However, in general, starting with 1983, investment income excludes most net capital gains and net gains and losses from sales of business assets or from "involuntary conversions" under Internal Revenue Code section 1231, as well as most other income from investments, e.g., rents, royalties, interest, and dividends, all of which were distributed or allocated directly to shareholders and, therefore, were not tabulated. In the statistics, total receipts are shown as equal to business receipts for S Corporations classified under Finance, insurance, and real estate in recognition of the fact that such income is often the principal operating income of such businesses, even though such income was reported separately on the tax return and is shown separately in most Statistics of Income tables.
 - 2) Other or Non-S Corporations (often referred to as C Corporations).--Like S Corporations, business receipts equal gross receipts from sales and operations. Total receipts for non-S corporations are business receipts, plus receipts from investments, comprising, in part, dividends, interest (including tax-exempt interest on State and local Government obligations), net capital gains, and net gains and losses from sales of business assets or from "involuntary conversions" under Internal Revenue Code section 1231. Thus, unlike S Corporations, investment income is reported for all years. Starting with 1987, business receipts (and total receipts) include the full sales price reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers, and operative builders, even when they bought and sold securities, commodities, and real estate on their own account; prior to 1987, the net gains (i.e., positive amounts only) from these transactions were treated as investment income and, therefore, included in total receipts. (Negative amounts, i.e., losses, were tabulated with deductions.) Statistics for business receipts and total receipts equal one another for banking and savings institutions and other corporations included under Finance, insurance, and real estate, in recognition of the fact that investment income is the principal operating income of these businesses, even though such income is reported separately on the tax return and is shown separately in most Statistics of Income tables. For insurance carriers, the premium income reflected in business receipts excludes amounts reported by certain companies electing to be taxed on their investment income only; for these companies, premiums were not reported on the tax return, so that, to this extent, the statistics for business receipts and total receipts are understated. For foreign corporations with U.S. business operations, only the income "effectively connected" with the U.S. business is included in the statistics; the income not "effectively connected" with the U.S. business was not tabulated.
 - 3) Partnerships.--Like corporations (and S Corporations), business receipts equal gross receipts from sales and operations. Total receipts for partnerships are business receipts, plus investment income. (In general, this was also true for S Corporations prior to 1983.) As with the corporation statistics, business receipts were made equal to total receipts for partnerships classified under Finance, insurance, and real estate in recognition of the fact that investment income is often the principal operating income of these businesses, even though such income is reported separately on the partnership return and is, therefore, shown separately in most Statistics of Income tables. However, unlike corporations, statistics for investment income of partnerships exclude tax-exempt interest on State and local Government obligations, which is not reported on the tax return. Based on a change in the tax return design starting with 1987, the statistics for receipts include not only the receipts from a trade or business, but also the separately-reported "portfolio income" (defined as net gains and losses from sales of business assets or from "involuntary conversions" under Internal Revenue Code section 1231, royalties, interest, certain dividends, and other investment income except capital gains), even though some of this income was distributed or allocated directly to partners; plus real estate rental net income (positive amounts only); plus other rental net income (positive amounts only). (Negative amounts, i.e., losses, were tabulated with deductions.) However, capital gains distributed to partners continued to be excluded from the statistics after 1986, mainly to preserve some comparability with the receipts statistics for earlier years, so that, conceptually, there is little change in the comparability of the receipts data starting with 1987 and the data for earlier years. For 1980, partnership receipts data include the gross income from farming, rentals, and royalties; starting with 1981, only the net income (the positive amounts only) from these sources was included. (Negative amounts, i.e., losses, were also tabulated with deductions.)
 - 4) Nonfarm Proprietorships.--Like corporations and partnerships, business receipts equal gross receipts from sales and operations. Receipts from business investments (including capital gains and losses) are not considered to be income "from the business" and are reported on the tax return in combination with the other investment income (and nonbusiness capital gains and losses) of the proprietor. Therefore, total receipts in the statistics are shown as equal to business receipts for all industries (and not just Finance, insurance, and real estate, as in the case of corporations and partnerships). Receipts data include the amounts reported for all nonfarm sole proprietorships owned by a proprietor (including receipts of multiple businesses in excess of three; see footnote 2).
- b. Net Income (Less Deficit).--This amount represents the taxable profit, before Federal income tax, computed under definitions in the Internal Revenue Code, rather than the pre-tax profit computed for the books of account. However, because of the definitions

Trends in Business Structure and Activity, 1980-1990

Footnotes to Table 1.--Continued

of receipts and deductions used to compute net income, as well as for conceptual reasons applicable to net income, itself, net income (less deficit) is not defined the same either for all legal forms of organization or for all years.

- 1) **S Corporations**--In the statistics, net income represents total receipts less total deductions, including the cost of sales and operations. In common with the other business forms, net income excludes tax-exempt interest on State and local Government obligations. In general, starting with 1983, net income excludes the taxable income (less deficit) from investments, including most capital gains and losses, which were not tabulated (see total receipts and business receipts, above). Also excluded, starting with 1983, are deductions for charitable contributions, investment interest, intangible drilling and development costs, depletion on oil and gas wells, foreign taxes paid, and the limited expensing of the cost of depreciable assets under Code section 179, each of which was either distributed or allocated directly to shareholders in a manner similar to partnerships; none of these deductions were tabulated as a result. Unlike sole proprietorships (and non-S Corporations), any salaries paid to owners were deductible and, unlike partnerships, certain other payments (dividends paid to shareholders, in the case of S Corporations) were not.
- 2) **Other or Non-S Corporations** (often referred to as C Corporations)--In the statistics, net income represents total receipts less business deductions, including the cost of sales and operations. In common with the other legal forms, it excludes tax-exempt interest on State and local Government obligations, but, unlike the others, net income includes constructive taxable income from related foreign corporations (see receipts, above), and, unlike S Corporations (since 1983) and sole proprietorships, net income also includes investment income, including capital gains and losses. Similar to S Corporations and sole proprietorships, but unlike partnerships, business deductions recognized in computing net income include charitable contributions, depletion on oil and gas wells, foreign taxes paid (though most are credited against the U.S. income tax, instead), and the limited expensing of the cost of depreciable assets under Code section 179. For foreign corporations with U.S. business operations, net income includes only the amount from income "effectively connected" with the U.S. business; net income from income not "effectively connected" with the U.S. business was not tabulated. Unlike sole proprietorships, any salaries paid to owners were deductible and, unlike partnerships, certain other payments (such as dividends, in the case of non-S Corporations) were not.
- 3) **Partnerships**--Like corporations and sole proprietorships, the statistics for net income represent total receipts less business deductions, including the cost of sales and operations. Also, like the other legal forms of organization, net income excludes tax-exempt interest on State and local Government obligations, but, unlike corporations, business deductions exclude charitable contributions, foreign taxes paid, depletion on oil and gas wells, and the limited expensing of the cost of depreciable assets under Code section 179. Unlike sole proprietorships, deductions include salaries paid to owners (partners) and, unlike corporations, include other payments (guaranteed payments, in the case of partnerships) made to owners (partners).
- 4) **Nonfarm Proprietorships**--Unlike corporations and partnerships, statistics for net income represent business receipts less business deductions, including the cost of sales and operations; net income excludes investment income less expenses. Sole proprietorships do not recognize as business deductions salaries paid to owners and charitable contributions made through the business. However, unlike partnerships and S corporations, business deductions include the limited expensing of the cost of depreciable assets under Code section 179, depletion on oil and gas wells, and foreign taxes paid (though most are credited against owners' U.S. income tax, instead). Net income (less deficit) represents the net income of all nonfarm sole proprietorship businesses owned by a proprietor.

⁴ Less than \$0.05 billion, plus or minus, as indicated.

⁵ Because there are relatively few sole proprietorship holding and investment companies, separate industry statistics are not available. These businesses are, however, included in the unincorporated business totals for Finance; Finance, insurance, and real estate; and in the grand totals for All industries, but the totals for Holding and other investment companies, except bank holding companies for all legal forms are slightly understated as a result.

⁶ In the absence of tabulated partnership data for selected years, total receipts for Communications were estimated based on the relationship between total receipts and business receipts for the broader industrial grouping, Communication, electric, gas, and sanitary services.

NOTES: For corporations, Tax Year 1980 covers accounting periods ended July 1980 through June 1981. Other corporate tax years are similarly defined.

For Table 1, data for non-S Corporations were derived by subtracting the rounded data for S Corporations from the rounded totals for all corporations. Therefore, there are small discrepancies between the rounded data in Table 1 for non-S Corporations and the unrounded data which are published in, or can be derived from, the annual Statistics of Income--Corporation Income Tax Returns and the underlying Source Book of Statistics of Income--Corporation Income Tax Returns. Similar small differences were created in computing the total amounts for unincorporated businesses and for all businesses from the underlying detail shown in Table 1.